

Kurds report Iraqi assault

NICOSIA (AFP) — Thousands of Iraqi soldiers backed by tanks and artillery mounted an assault near the northern city of Erbil, the Iraqi Kurdish opposition said Friday. The Patriotic Union of Kurdistan (PUK) said opposition forces repelled the attack Thursday on Kani-Qurzah and the main road toward Erbil, the biggest city in Kurdish-held northern Iraq. "Some 3,000 infantrymen backed by 30 tanks and more than 50 personnel carriers attempted to advance on Kurdish positions," after heavy shelling of the areas, it said. But Kurdish militiamen and other opposition forces drove back the attack using rocket-propelled grenades and anti-tank missiles. "There is mounting concern in Iraqi Kurdistan about the coincidence of this latest Iraqi aggression with the Turkish military incursion into the region," the PUK said in a statement sent to Nicosia. "We appeal to the international community to exercise vigilance and determination to assure the safety and well-being of the Kurdish people in Iraq," it said.

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Saudi's want PNA papers for Israeli Arabs

OCCUPIED JERUSALEM (Agencies) — Saudi Arabia wants Israeli-Arabs to carry Palestinian papers to enter the country for the pilgrimage to Mecca in May, a Palestinian minister revealed Friday. Jamil Tarifi, who is in charge of civilian affairs, said however, that Israel had turned down the request and would be held responsible if Israeli-Arabs could not make the pilgrimage. "We have been informed by the Saudis that all Palestinian pilgrims, including those coming from the State of Israel, must have passports issued by the Palestinian Authority to enter Saudi Arabia," he said. "We were informed by the Saudis that the quota set for Palestinian pilgrims, which included Israeli Arabs, reduced from 15,000 last year to 10,000 this year," Mr. Tarifi said. The Haj month starts around April 30.

Sweden orders out Russian employee

STOCKHOLM (AFP) — Sweden Friday ordered out an employee of the Russian trade delegation in Stockholm whom it suspected of espionage, the justice ministry announced. Intelligence police (SaePo) arrested the employee, who did not have diplomatic status, on Thursday, the ministry said. SaePo chief Anders Eriksson refused to identify the employee but said his alleged espionage activities had been in the "military sector." The man had "tried to recruit a Swedish citizen to get him to supply important official Swedish documents marked secret," Mr. Eriksson said. "It was an attempt to espionage and we succeeded in preventing it," he added, declining to indicate whether other persons, including Swedes, had been questioned in connection with the affair. No date has been fixed for the Russian employee's expulsion.

Bomb kills one, wounds 2 in Algeria

ALGIERS (AFP) — A police officer was killed and two others wounded in a car-bomb attack Friday in the northeastern town of Tizi Ouzou, residents said. The bomb exploded while the officers were checking the car, which had been stolen a day earlier. The sources said the blast occurred in the Haute-Ville district of the town, which lies 110 kilometres east of Algiers and is the capital of the mountainous Grand Kabylie region, largely inhabited by Berbers who are opposed to extremists trying to unseat the military-backed government.

Libya to broker Uganda-Sudan peace

CAMPALA (AFP) — Libyan leader Muammar Qaddafi will mediate between Uganda and Sudan to help the two countries iron out their differences over alleged support for each other's armed opposition, Ugandan President Yoweri Museveni said Friday. Speaking upon his return from a three-day official visit to Kuwait, Mr. Museveni said Uganda was ready to attend a meeting in Tripoli aimed at sobering up our relationship. "The meeting will be convened on a date yet to be set by Col. Qaddafi."

Moroccan group bars for detainees

ABAT (R) — Morocco's dependent human rights organisation said on Friday no political prisoners on hunger strike in the central city of Fez since March 7 had been denied medical supervision and were in serious condition. The association Marocaine des Droits de l'Homme said in a statement that Ben Ali Aouni and Douak El Karoui went on a hunger strike three weeks ago to demand better conditions of visiting rights.

Katyusha attack kills Israeli, injures nine in Galilee

SIDON (Agencies) — Guerrillas unleashed a deadly rocket barrage on northern Israel Friday after one of their senior commanders was killed in daylight Israeli air raids on southern Lebanon.

Israel Radio said one person was killed when a Katyusha rocket fired from Lebanon hit a residential building in the Galilee pachash. Israeli military sources said at least nine others were wounded in the barrage, which targeted Kiryat Shmoa and Metulla.

Other rockets crashed in an Israeli-occupied strip in South Lebanon, only metres away from the border, Lebanese security sources said. No casualties were reported in the enclave, which targeted the "security zone."

Earlier Friday, an Israeli soldier was reported killed and another seriously injured in a clash with Hezbollah guerrillas on the edge of the zone.

Three guerrillas were wounded in the clash which erupted after Israeli helicopters landed about 50 commandos at the Israeli-held hilltop outposts of Sojod and Sweida in the central sector of the zone.

The troops deployed behind a massive artillery and tank bombardment.

The Lebanese sources said Israeli artillery barrages also targeted a string of villages north of zone, wounding four civilians, including a three-year-old boy and a woman.

Friday's air raids and ground duels were the worst this year. They coincided with a visit to Beirut by Russian Foreign Minister Andrei Kozyrev, who is seeking to promote Arab-Israeli peace.

The agreement followed a week-long Israeli blitz in the south in which 147 people were killed and 500 wounded.

(Continued on page 13)

Kozyrev in Israel on peace mission

TEL AVIV (Agencies) — Russian Foreign Minister Andrei Kozyrev arrived in Israel on Friday on a Middle East peace mission as violence flared up on both sides of the Israel-Lebanon border.

One person was killed and at least nine were injured when guerrillas fired Katyusha rockets into Israel's northern Galilee region from southern Lebanon, police said (see separate story).

Mr. Kozyrev, who arrived here from Lebanon, was to meet Israeli Foreign Minister Shimon Peres late Friday before talks with President Ezer Weizman and Prime Minister Yitzhak Rabin on Sunday.

The Russian envoy said earlier in Beirut that the Jewish state must implement U.N. Resolution 425 calling for a total and unconditional Israeli withdrawal from South Lebanon before there could be progress in the peace process.

It is "important that there is progress in peace negotiations as quickly as possible and that there is no resort to force," Mr. Kozyrev said after talks with his Lebanese counterpart Fares Bouez.

"That is why we talked of the application of Resolution 425" adopted in 1978, he added.

Mr. Kozyrev gave Lebanese President Elias Hrawi a message from Russian leader Boris Yeltsin supporting Lebanon's territorial sovereignty and unity.

Newspapers here speculated that Mr. Kozyrev would bring Mr. Rabin a message from Syrian President Hafez Al Assad, whom he met Thursday in Damascus.

Mr. Kozyrev said Friday that he had "noticed a desire to push forward negotiations" in Damascus.

He said earlier he had brought "ideas" to Damascus that could help the Syrian-Israeli negotiations, which are deadlocked over the

Prince Hassan returns home

AMMAN (Petra) — His Royal Highness Crown Prince Hassan returned home on Friday after visits to Germany, Austria and Spain.

Shortly after his arrival, Prince Hassan was sworn in as Regent before the Council of Ministers.

In a statement to the press, Prince Hassan said his talks in Germany with Chancellor Helmut Kohl and other senior officials were good and reflected the desire of the European Union to enhance cooperation with Jordan and other Middle Eastern countries, especially after signing Arab-Israeli peace treaties similar to the ones signed between Jordan and the Jewish state.

He said the European desire to enhance cooperation constitutes a new step in cooperation between the EU and the Middle East, particu-

larly a summit for the countries of the Mediterranean will be held soon.

He said his talks with the German officials concentrated in particular on financing dam projects in the northern Jordan Valley as well as water pipelines and infrastructure projects.

The Crown Prince said 1995 will be "the year for building our self-confidence.

We hope to achieve everything serving the interests of citizens and the region, in addition to strengthening stability and resuming bilateral efforts for cooperation between the countries of the region and achieving Arab reconciliation, especially that there were strenuous efforts to achieve this reconciliation, having so far 14 Arab countries agreeing to it."

Prince Hassan was received at the airport by Their Royal Highnesses Prince Raoul, Prince Faisal and Princess Sumaya, Chief Chamberlain Prince Ra'd Ben Zeid, Princess Majda, Prince Nayef Ben Ali and Princess Wijdan Ali.

They were also received by acting Prime Minister Abdul Raouf Al Rawabdeh, Upper House of Parliament Speaker Ahmad Al Lawzi, the King's advisors, the Crown Prince's advisor, the Cabinet members, the mayor of Amman, the chief Islamic justice, the chairman of the Joint Chiefs of Staff, the Public Security Department director, senior officials and the ambassadors of Germany, Austria and Spain in Amman.

Accompanying Prince Hassan on his visits were Their Royal Highnesses Princess Sarvat and Prince Rashed.

Qadhafi restates refusal to extradite suspects

TRIPOLI (Agencies) — Libyan leader Muammar Qaddafi has insisted he will not hand over two Libyan suspects in the 1988 Lockerbie bombing to another country for trial, the official news agency JANA reported Friday.

The report came after the U.N. Security Council decided Thursday to maintain sanctions against Tripoli to force it to hand over the two Libyans wanted for trial in the United States and Britain.

"Libya has made all the necessary arrangements for a fair trial of the two accused," Colonel Qaddafi said.

He cannot deliver them "to another country... without their consent and without violating the constitution," the Libyan leader added.

JANA earlier denounced the renewal of sanctions as "unjustified and illogical" and charged that the Libyan people had become victims of "U.S. terrorism."

It was "no longer surprising to note such an illogical decision by the U.N. Security Council," which the agency said had become in effect an "American council."

Tripoli has consistently denied involvement in the bombing of U.S. airliner over Lockerbie, Scotland, in December 1988 that killed 270 people.

But it has agreed to allow the two suspects, Abdul Bassat Al Megrahi and Lamen Khalifa Floma, to be tried before the International Court of Justice in the Hague.

The U.N. Security Council also wants Libya to cooperate with a French investigation into a bomb attack on a UTA flight which exploded over Niger in 1989, killing 170 people.

The sanctions package, imposed in 1992 and later strengthened, include an arms embargo on Tripoli as well as a freeze on certain Libyan assets abroad and a ban on the supply of some oil industry equipment.

Col. Qaddafi has vowed to challenge the air embargo by sending pilgrims to Mecca in 1996.

Sandi Araria aboard Libyan aircraft for the annual pilgrimage in May.

African foreign ministers left Libya Friday after promising to mediate between the West and Libya over the bombing JANA.

The foreign ministers from Ghana, Tunisia, Cameroon, Zimbabwe and Uganda met Col. Qaddafi on Thursday. They offered to try to set up a diplomatic channel between Western countries and Libya to resolve the dispute, JANA said.

"We have decided to take some steps with the aim of facilitating negotiations and we will talk with all concerned parties in an attempt to find any basis for these negotiations," Ghanaian Foreign Minister Obed Bow Azamah was quoted as saying.

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"This decision is all the more regrettable, coming as it does at a time when the Libyan authorities are showing greater... flexibility to cooperate with the United Nations," he said in Addis Ababa, Ethiopia.

"This decision will only prolong the misery and suffering which has been imposed upon the innocent people of Libya and those of the neighbouring states," he added.

"We hope we will be able to contribute to solving the problems," he said.

"Regarding the Syrian-Israeli track I believe great efforts will have to be made to reach success on this track and Russia is ready to make the maximum effort to achieve this goal," he said in a statement handed to reporters.

Mr. Kozyrev's five-hour Beirut stopover, sandwiched between more substantive visits to Egypt, Syria and Israel, was the first to Lebanon by a foreign minister of the former Soviet Union or Russia in nearly 40 years.

Dmitri Shepilov was the last Soviet foreign minister to visit Beirut in 1956.

Rabin urges world aid for Arabs

TEL AVIV (Agencies) — Israeli Prime Minister Yitzhak Rabin on Friday urged the international community to provide more economic aid to the Palestinians and Arab countries making peace with the Jewish state.

"We want the Arab countries and the people that make peace with Israel to be assisted by those in the world that can afford it," Mr. Rabin told a conference of foreign ministry officials from 55 countries. "I would like to see Egypt, Jordan and the Palestinians assist economically for peace to be stable."

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'Syria ready for low-level Israel ties'

TEL AVIV (AP) — Syria will allow Israel to open a low-level diplomatic office in Damascus before withdrawal from the Golan Heights is complete, a newspaper reported Friday. The gesture, which indicated that Syria is responding to Israel's demand that a gradual pullback coincide with normalization of ties, came during a visit by U.S. Secretary of State Warren Christopher earlier this month, the daily Yedioth Ahronoth said. Deputy Foreign Minister Yossi Beilin said he could not confirm the report and noted that Americans involved in the negotiations say that if significant progress is not made on the Syrian track within nine months a peace treaty in 1996 is unlikely. Israeli national elections are in 1996 and polls are showing a deterioration of support for prime minister Yitzhak Rabin. Mr. Beilin, speaking to Israeli army radio from New York, said that as a result of slow progress made in Washington this week on security issues, Dennis Ross was expected to visit Syria and Israel soon. "I assume that the trip will lead to talks between Syrian-Israeli high ranking officers and it is possible that after that we will reach the wished-for breakthrough," Mr. Beilin said.

and the Palestinian people. He stressed that Jordan will always remain an example to be followed by others in terms of political pluralism, respect for human rights, cooperation, understanding and constructive dialogue.

King Hussein briefed the Jordanian community on the Middle East peace process and stressed that Jordan's move to have peace with Israel came after Egypt signed a peace treaty with the Jewish state and after all Jordanian political and intellectual trends agreed to the choice of peace.

He said Jordan's decision to sever its legal and administrative ties with the Israeli-occupied West Bank was in harmony with the 1974 Arab summit and in response to the Palestinian and Arab desire to have the Palestine Liberation Organisation (PLO) as the sole legitimate representative of the Palestinian people.

"Jordan did not take the decision to sever ties (with the West Bank) to distance itself from the Palestinian brethren, but to give them a chance to move in the direction they choose in full freedom," King Hussein said.

He pointed out that since the time of the Great Arab Revolt, Jordan was the closest to the Palestinian problem.

(Continued on page 13)

Turkish forces report clashes in northeast

ANKARA (Agencies) — Turkish soldiers on Friday killed 29 Kurdish rebels in a stepped up military campaign in southeast Turkey while the army pressed its offensive in northern Iraq to wipe out guerrilla camps.

The clashes occurred in Sirnak province on the Iraqi border and in Bitlis province further north, the regional governor's office in Diyarbakir said.

In previous action starting from Wednesday, 55 Kurdish rebels were killed in various clashes in the southeast, the office said.

No military casualties were reported.

The action indicated that Kurdish Labour Party (PKK) rebels were attempting to challenge the army with small units inside Turkey in retaliation for the military's operation in northern Iraq.

That operation involves a part of northern Iraq controlled by Iraqi Kurds who want independence from Baghdad. Patrolled by allied warplanes since the end of the Gulf war, the area is beyond the reach of Iraq's military.

Turkey hopes to rely on the Iraqi Kurds, who are fighting among themselves to keep Turkey's border secure if rebels return to northern Iraq, said the deputy foreign minister, Ozdem Sanberk. "It is their responsibility."

Turkey made a security arrangement with them in 1992 after a similar cross-border operation, but it never worked because of Iraqi Kurdish infighting (see page 2).

"We do not have any dates

fixed for withdrawal. But it will not be months and no single soldier will be left in northern Iraq," Mr. Sanberk told the Associated Press.

His comments contradicted the chief aide to Prime Minister Tansu Ciller, who suggested Turkey wants to keep ground troops in northern Iraq under the umbrella of the U.S.-led allied air force patrolling the area.

The PKK said meanwhile the operation has cost the Turkish army more than 500 lives, against 21 guerrillas killed.

"This is yet another of the series

Home & Middle East News

JORDAN TIMES, SATURDAY, APRIL 1, 1995

Beilin urges 'active' U.S. role in Syria-Israel talks

By George S. Hishmeh



WASHINGTON (USA) — Israeli Deputy Foreign Minister Yossi Beilin urged the United States to take a high-profile "active" role in the ongoing talks between Israel and Syria whose ambassadors are at present meeting in Washington.

The Israeli deputy foreign minister voiced his plea during the "face-to-face" programme March 30 at the Carnegie Endowment for International Peace here.

"We need an active American role in our part of the world," he said in reply to a question. "If the Americans are not involved, we are not going to have peace in the next nine months" — a critical date since there will be general elections in both Israel and the United States in 1996 and the two countries, be added, would then be overwhelmed with the reelection campaigns.

He said U.S. shuttling between the capitals of Israel and Syria can "change the situation" and cited as evidence the results of Secretary of State Christopher's recent visit to the Middle East, which resulted in the resumption of the ambassadors' talks in Washington.

Mr. Beilin argued that had Mr. Christopher gone to the Middle East a month later, the Syrian-Israeli talks would have consequently resumed at a later date, and that conversely, had he gone a month earlier the talks could have started then.

Peace, Mr. Beilin continued, should be an important "strategic target" for the United States, and he pointed to the costs of the 1973 and 1991 wars in the region. He added, matter-of-factly, that the cost of peace is much less than the cost of war.

"I say honestly, I do not know whether (President Assad) wants peace with Israel," Mr. Beilin declared.

The Syrian leader remains an "enigma" for the Israelis, he added.

He told a questioner, however, that it is not enough for both Israel and Syria to know each other's position for the talks to succeed. He acknowledged that neither the Syrians nor the Israelis have spelled out their positions on peace and withdrawal from the Golan Heights, which Israel occupied in the 1967 Arab-Israeli war.

Mr. Beilin also repeated his call for "accelerating" the negotiations with the Palestinians so that the so-called final status issues — Jerusalem, permanent borders, refugees — could move simultaneously with the discussions now under way on Palestinian elections and Israeli redeployment.

The Israeli deputy foreign minister said in defence of his position for a speed-up that May 1996 is the "latest date to negotiate the final status issue" in accordance with the Oslo peace accord signed in 1993.

He held out the possibility that the talks on Palestinian elections, which should be concluded by July 1, could possibly not meet the deadline agreed upon by the leadership of the two sides. Accordingly, he added, accelerating the process might bring a solution.

The Israeli official raised the possibility that Syria may not yet be ready to make peace with Israel despite its acceptance of the peace option following its participation in the Mideast peace conference in Madrid in October 1991 and other recent gestures.

"I believe there are solutions for all the problems," he stressed. "We are in a world of crazy solutions. We just have to understand the red lines of each side," meaning the parties have to recognise the limit of their concessions.

After noting that Israelis can now travel to several Arab countries — "This is the kind of paradise we have dreamed of for many years" — Mr. Beilin said the "biggest challenge" for Israelis nowadays is defining their future role in the Middle East.

In answer to a question, Mr. Beilin reiterated that Israel is willing to pull out from the "security belt" it has in southern Lebanon once the Lebanese government can reign in the Iranian-supported Hezbollah guerrillas.

Multilateral peace talks seen gaining importance

WASHINGTON (USA) — In the sputtering Middle East peace process, the other side of the coin — the multilateral negotiations on region-wide issues — is slowly gaining some belated sparkle.

"In some ways, they have surpassed expectations," said a high State Department official who is intimately involved in the slow-moving talks, which are about to enter their eighth round when the Steering Group meets in Switzerland in May.

The multilaterals are not a substitute for the bilaterals, he said, but they do provide support for the direct talks among the former adversaries. More significantly, he continued, the multilaterals "allowed us to maintain contacts with the parties at times when there were difficulties," adding. "They have cushioned some of the difficulties in the bilateral negotiations."

From the beginning, the Middle East peace process, now in its fourth year, was fashioned to proceed along two simultaneous tracks. The first was direct, often headline-grabbing, bilateral negotiations between Israel and its immediate neighbours — Syria, Lebanon, Jordan and the Palestinians.

The other track was the unobtrusive multilateral negotiations — the so-called "stealth peace process" — because it was not usually in the limelight. These covered issues that impact the region as a whole such as water-sharing and refugees.

The State Department official, who spoke anonymously, explained that the regional talks were originally designed to "complement" the bilateral negotiations.

A wrinkle in this aspect of the Middle East peace process is the absence of both Syria and Lebanon from the regional discussions. Both have refused to date to take part until there is significant movement in the bilateral negotiations.

At the moment, the Syrian and Israeli ambassadors are meeting behind closed doors in Washington in a bid to resolve the impasse between them. This round came as a result of Secretary of State Warren Christopher's trip to the region earlier this month.

What the multilaterals were supposed to do, according to the State Department official, is "help people start thinking in a serious way about what you do once you achieve a peace treaty, and how do you organise yourself to take advantage of a comprehensive peace?"

The bilateral talks, he continued, deal with finding a political solution to the conflict, but in the end the region will have to confront many problems covering economic, environmental and water-sharing issues.

With this future in mind, the 36 participants in the organisational meeting held in Moscow within three months after the Madrid conference opened in October 1991, agreed to establish five working groups:

— The Arms Control and

Regional Security Working Group which focuses on "confidence-building measures" as well as arms control issues, including information exchange, maritime measures and verification.

— The Regional Economic Development Working Group which has put together an action plan of projects, and set up a monitoring group to ensure follow up.

— The Water Resources Working Group which holds workshops and studies water conservation, water sector training needs, desalination, and enhancing water data availability.

— The Refugee Working Group which addresses family reunification, training and job creation, public health and child welfare, and social and economic infrastructure.

— The Environment Working Group which is developing an environmental code of conduct and regional responses to issues dealing with oil-spill contingencies, desertification, and waste water treatment in small communities.

Some American officials are now as enthused about the slow-paced multilateral sessions as they are about the bilateral talks.

Dan Kertzer, the deputy assistant secretary who until recently handled Near Eastern Affairs at the State Department, pointed out that the multilaterals have undergone a "significant transformation" since the first meeting in Moscow.

These negotiations are in

the process of "transforming the region." They have moved from their initial phase of serving as "educational seminars to a point where people are looking at concrete activities."

But perhaps their most important contribution, he said recently, is how they have led to the breakdown of "psychological barriers" between the Arab and the Israeli participants.

The Arabs and Israelis are now considering "institution building as a means of driving the process of regional reconciliation and critical progress among conflicting parties" during the multilateral discussions, Mr. Kertzer emphasised.

It is important, the high State Department official said in a background briefing, that the region take "ownership" of this process.

However, he continued "this can only happen when we have comprehensive peace."

Here, he pointed out that the multilateral talks have been helpful in making people "start thinking in a serious way (about) what you do once you achieve a peace treaty and how you organise yourself to take advantage of a comprehensive peace."

Among the achievements of these multilateral talks are:

— An agreement to rehabilitate small community water systems — the first Israeli proposals adopted by the Water Resources Working Group.

— The Upper Gulf of Aqaba oil spill contingency

JORDAN TIMES DAILY GUIDE AND CALENDAR

USEFUL TELEPHONE NUMBERS

NIGHT DUTY

AMMAN: Dr. Hassan Mansour 750107
Dr. Yahya Abdal Salam 734672
Dr. Said Tariq Al-Ali 782085
Dr. Arsat Ashraf 602507
Firas pharmacy 669192
Al Asema pharmacy 637055
Nairoby pharmacy 623572
Al Salam pharmacy 636730
Yacoub pharmacy 644995
Shmeisani pharmacy 637660
Najib pharmacy 847632

IRBID: Dr. Mohammad Al Hilu 270773
Akuds pharmacy (—)

ZARQA: Dr. Akram Haddad 983550
RJ Flight Information 08-532009
Queen Alia Int'l. Airport 08-532009

Khalid pharmacy 985417

EMERGENCIES

Food Control Centre 637111
Civil Defence Department 661111
Civil Defence Immediate
Rescue 630341
Civil Defence Emergency 199

HOSPITALS

AMMAN: Hussein Medical Centre 813813/32
Khalidi Maternity, J. Amm 644281/6
Akileh Maternity, J. Amm 642441/2

INTERNATIONAL AIRPORT Tel. (06) 533005-5, where it should always be verified.

Rescue Police 192, 621111, 637777
Fire Brigade 617101
Blood Bank 775121
Highway Police 843402
Traffic Police 896390
Police Emergency Department 630211
Hot Complaints 605800
Water and Sewerage: Complaints 897467

Overseas Calls 010230

Central Amman Telephone
Repairs 623101
Abdul Telephone Repair 661101
Radio Jordan 774111
Water Authority 680111
Jordan Electricity Authority 815615

Electric Power Company 636381

Other 630341

Princess Maysa Hospital (03) 314111

FOR THE TRAVELLER

QUEEN ALIA
INTERNATIONAL
AIRPORT

This information is supplied by Royal Jordanian (RJ) information department at the Queen Alia In-

Americans visited in Iraq jail

BAGHDAD (Agencies) — The prison conditions of two Americans jailed for eight years in Iraq are improving and they are allowed to read books and magazines, a Polish diplomat who visited them said Friday.

William Barloon, 39, and David Daliberti, 41, are "in much better shape than they were before," said Ryszard Krystoski, who lobbied for their release.

U.S. Secretary of State Warren Christopher urged their release Thursday, insisting they had "strayed inno-

nently" into Iraq.

Iraq had nothing to gain

from holding the pair, he said in a reference to U.N. sanctions imposed after the 1990 Iraqi invasion of Kuwait.

However, Iraq said it did not believe the Americans had got lost in the Iraqi-Kuwait border region.

Mr. Barloon and Mr. Daliberti were arrested by Iraqi police on March 13 after

"A ditch has been dug, barbed and electrified wire

straying across the border from Kuwait and were jailed on charges of "illegal entry."

The two civilian defence contractors who were working in Kuwait are being held in Abu Ghraib jail, 30 kilometres west of Baghdad.

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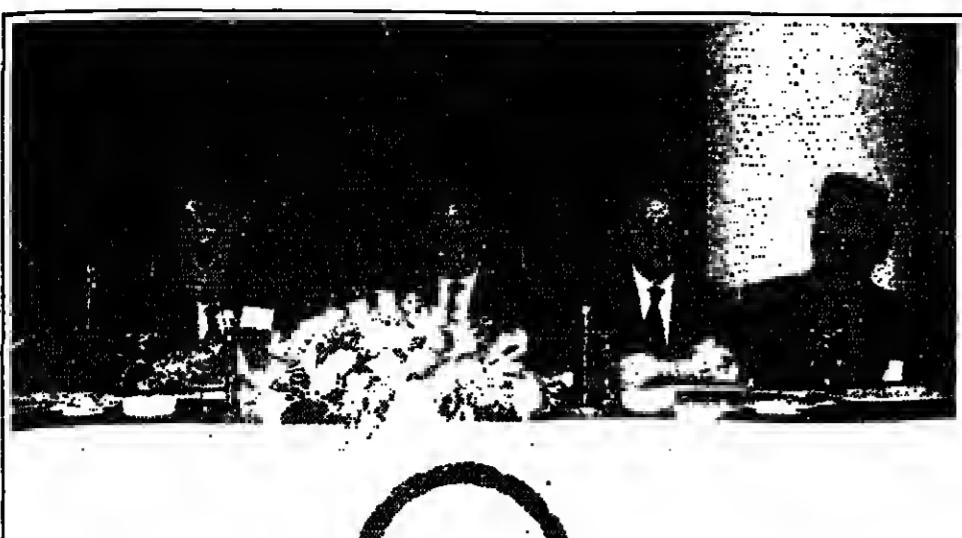
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"A ditch has been dug, barbed and electrified wire



AUB MEDICAL CONFERENCE: Minister of Public Works and Housing and acting Minister of Health Abdul Razzaq Ensour (second from left) Friday inaugurates the first medical conference of the American University in Beirut (AUB) Alumni Club. Deputising for Their Majesties King Hussein and Queen Noor, Dr. Ensour delivered an opening address in which he commended the conference, describing it as an opportune setting for the intellects of the Arab nation to meet and exchange professional experiences.

said the conference will discuss important working papers "reflecting our aspirations and ambitions for our educational, scientific and medical future, especially that we are now on the threshold of a new century." After the opening session, Dr. Ensour opened a medical exhibition held on the sidelines of the two-day conference.

European Investment Bank team to Kingdom ends 2-day visit

AMMAN (Petra) — A European Investment Bank (EIB) delegation on Friday left Amman at the conclusion of a two-day visit to Jordan during which its members met with government officials for talks on the needs of the Jordanian government.

The delegation's talks also covered the possibility of carrying out investment projects in Jordan in view of developments on the regional arena, especially in the water, tourism, transport and energy sectors.

The delegation also visited projects financed by the bank or sites of future projects it will finance in Aqaba, the Jordan Rift Valley, the Dead Sea, Al Kafra Dam and the Yarmouk River.

Relations between Jordan and EIB date back to 1977 when the Kingdom concluded with European Union (EU) a general cooperation agreement and signed four financial and technical protocols covering the period 1977-96.

Romania fully supports peace treaty — envoy

AMMAN (Petra) — Romanian Ambassador to Jordan Antone Pascal has said his country fully supports the Jordanian-Israeli peace treaty, adding that the Bucharest government hopes that it will lead to a just, comprehensive and lasting peace in the entire region.

In a statement to the Jordan News Agency, Petra, on the eve of the 30th anniversary of establishing bilateral relations with Jordan, which falls today, Mr. Pascal praised the unique Jordanian-Romanian relationship.

HOME NEWS IN BRIEF

Rare brain tumour successfully removed from child

AMMAN (Petra) — A chestnut-size brain tumour was successfully removed from an 18-month-old child on Thursday by a Jordanian medical team. Neurologist and brain surgeon Ibrahim Subeih and ear, nose and throat specialist Mahmoud Asaad conducted the surgery at the Aran Centre for Heart and Special Surgery. Dr. Subeih said such a tumour was rare at this age, adding that it was removed by inserting an endoscope through the child's nostrils. Dr. Subeih said two weeks ago the child was suffering from problems in the left eye and that X-rays revealed a tumour of the base of the skull. He said that after the four and a half hour surgery the child was in stable condition.

Conference to address Arab food security

AMMAN (Petra) — The investment climate in the Arab World and the laws governing investments, in addition to Arab food security will figure high on the agenda of a five-day conference on Arab investment and food security which will be held here in mid-September. The conference, which is organised by Ministry of Trade and Industry in cooperation with the General Federation of

Arab Chambers of Commerce, Industry and Agriculture and the Arab Federation for Food Industries, will attract experts from the entire Arab World, in addition to representatives of Arab and international organisations, companies and corporations. Participants in the conference will discuss Arab investments, food security, the packing and packaging industry, in addition to other related subjects.

Low depression affects the country on Sunday

AMMAN (J.T.) — The Meteorology Department predicts a low pressure accompanied by a cold air mass will start affecting the country Sunday evening. In an interview with Jordan Television, Jamal Al Mousa of the Meteorology Department said rainfall is expected as of Sunday evening through Tuesday. He added that a sharp drop in temperatures is expected.

Mr. Mousa said that on Monday temperatures will drop by 7°C — and on Tuesday they will drop by 12 to 13°C — much lower than the average temperature for the season.

He said a rise in temperatures was expected yesterday and today because of a warm front preceding the low pressure coming from Italy. On Wednesday and Thursday, April 5 and 6, temperatures are to rise gradually, but will remain below the seasonal average, Mr. Mousa said.

WHAT'S GOING ON

The following listings are compiled from monthly bulletins and the daily Arabic press. Readers are advised to verify the listed time and place with the concerned institutions.

SECOND ARAB DRAMA FESTIVAL

★ Two plays entitled "The Theatre of Sizarya" and "The Eyes of Maria and Sindbad" respectively at 7:00 p.m. and 8:30 p.m. at the Royal Cultural Centre.

EXHIBITIONS

★ Exhibition of art by Leo Rialp at Instituto Cervantes (the Spanish Cultural Centre).

★ Exhibition of prize-winning paintings by Czech students at the Royal Cultural Centre. Also showing another exhibition entitled "Dialogue Between the Nature and the Artist" by landscape painter Ahmad Mounib.

★ Exhibition of oil paintings by Hamoud Chantout at the Balqa' Art Gallery, Febeis.

★ Exhibition of oil paintings by Yousef Baddawi at Alia Art.

★ Exhibition of art by Ahmad Al Babili and Mohammad Ali at the Phoenix Gallery for Culture and Art.

★ Exhibition of art by Rula Shukairy at the French Cultural Centre.

'Ghazir Al Leil' to draw final curtain in Amman Area theatre critics see Egyptian folk tale in varying lights

By Mohammad Masharipa Special to the Jordan Times

AMMAN — As part of the activities of the Amman International Theatre Festival which opened on March 27, the famous folk tale Egyptian play entitled "Ghazir Al Leil" goes into its last performance at the Royal Cultural Centre (RCC) tonight as critics express mixed reviews.

"The play's plot is simple and known in Egyptian history, changing according to time and place. Of course, people's imagination traditionally adds several events to it out of their suffering and feelings," says the play's director, Hassan Gurattie, who is also director of Al Warsha group which performs in the play.

"It is an open story that can carry several colours of heritage over the generations: experiences of love and death and images of supernatural forces which determine man's destiny. It is a voyage into human mazes and represents various versions of local lan-

Municipal elections to be held July 11 Political parties to field candidates for local office

By a Jordan Times Staff Reporter

AMMAN — Municipal elections will be held throughout Jordan on July 11, marking the first time that the contest for local administration is held on the same day in all parts of the Kingdom, Minister of Municipal and Rural Affairs and the Environment Nader Thubeir has announced.

The elections will also be the first time that Jordan's new political parties will field candidates in municipal polls after the Kingdom enacted a new law on political parties in 1992.

As such the elections to the 259 councils are expected to be a key test for the 23 officially registered parties.

Jordan held its first multiparty elections in November 1993 after enacting the new Political Parties Law in late

1992. The law ended a 36-year hiatus in organised political parties in Jordan and was part of a wide democratisation process launched in 1989.

Mr. Thubeir announced the date for the municipal polls and related details at a press conference held at the Ministry of Municipal and Rural Affairs and the Environment on Thursday.

He said ministry officials had defined the municipal boundaries of 85 new councils, raising the number of total municipal bodies in Jordan to 259 in line with new regulations passed in February.

The elections will be for seven council members, including a mayor, except in the Greater Amman area.

Separate ballot papers will be provided for voting for council members and the mayor.

All elections will be for the full council except for the Greater Amman Municipal Council where voters will elect only half the 50 members of the body. The other half will be appointed by the government, which will also appoint the mayor of the capital.

Voter registration for the polls will begin on April 11 and end on May 15. The family book will be the basic document to determine voter eligibility, supported by current local tax/tariff bills as proof of residence, the minister said.

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4 World News

Seoul: Nuclear financing may collapse if South not given role

SEOUL (AFP) — President Kim Young-Sam warned Friday that South Korea would not give "a single penny" to the U.S.-led plan to give North Korea safer nuclear reactors if it was denied a key role in implementing the deal.

South Korean opposition to a U.S. firm bagging the main contract to provide the North with safer reactors escalated as Pyongyang's ties with Washington and Tokyo further eased, leaving Seoul increasingly isolated.

"The provision of nuclear reactors will become difficult if North Korea persists in rejecting the South Korean standard model," Mr. Kim said in an interview with leading newspaper Dong-A Ilbo. "Because we are going to shoulder most of the cost for the reactors, everything is up to us."

Under the 1994 U.S.-North Korean accord, the hardline Communist regime in Pyongyang is to get safer light-water reactors in return for freezing nuclear facilities

suspected of having been used to produce crude bombs.

South Korea, the presumed main target of the bombs, is being asked to shoulder three-fourths of the \$4 billion cost of two 1,000-megawatt reactors for the North.

But officials here admit that the choice of the CE-80 was a concession on the part of the North — which earlier asked for Russian or German models — regarding the compatibility issue.

South Korean officials said Friday that they had asked Washington to crack down on U.S. energy firms offering their products to North Korea, undermining efforts to make Pyongyang accept Southern technology.

The nuclear problem has also been complicated by an agreement Thursday between Japan and North Korea to resume talks on normalising ties, despite Seoul's requests for Tokyo to slow down until the nuclear issue is resolved.

Moreover, South Korean officials said Friday that U.S. telecommunications giant AT&T

and T had been authorised to launch a trial telephone service between the United States and North Korea around April 10.

The opening of the telephone links is part of last January's lifting of U.S. economic sanctions of Pyongyang under their 1994 agreement.

Mr. Kim took his own steps to restart normalisation efforts with North Korea.

In the interview, he expressed willingness to reactivate plans for a summit, indefinitely after the North's longtime leader Kim Il-Sung died last July. But he said the North must first resolve the succession question.

Kim Il-Sung's son and designated successor, Kim Jong-Il, has yet to be proclaimed as state president and ruling Workers Party general secretary.

Meanwhile, a diarrhoea from the North claimed Friday that North Korea is raising opium on a massive scale to earn hard currency to import food.

Taiwan patrol boats leave for Spratlys

KAOHSIUNG, Taiwan (R) — Taiwan sent armed patrol boats to emphasise its sovereignty claims in the disputed Spratly Islands Friday and officials said the boats would be joined by a naval escort.

A Marine police commander waved to journalists as his 800-tonne Shun Hu No. I led two other vessels from Kaohsiung Harbour to protect Taiwan's fishing rights and sovereignty claims in the South China Sea.

The three boats' eight-day patrol will go first to the Pratas Islands, some 220 nautical miles southwest of Taiwan, and then on to the Spratlys.

The Spratlys, a cluster of about 60 islands, are claimed wholly or in part by Brunei, China, Malaysia, the Philippines, Vietnam and Taiwan. The Pratas are claimed by Taiwan and its rival China.

"We are not going to fight. We are going to protect fishermen's operations," said Yang Tzu-Ching, commander of the Seventh Peace Preservation Corps, just before he boarded his boat and left.

"We are within the scope of our responsibilities to protect our country's sovereignty," he said.

Mindful of building tensions, especially between China and the Philippines, Commander Yang said the patrol had been scheduled for some time and added that it did not constitute an armed unit.

Journalists clearly saw machine guns on board.

"Relations between Communist China and the Philippines are quite tense," Commander Yang told journalists. "But this patrol has been planned for two or three months."

The Philippines said Thursday that Taiwan's dispatch of armed patrol boats to the disputed Spratly Islands would raise tensions but it was also prepared to increase its military presence there.

Several officials in Taiwan government ministries, as well as police in Kaohsiung, told Reuters that Taiwan's navy would provide an escort for the patrol. The escort's size and departure time were unclear.

The Spratlys, thought to be rich in oil, straddle strategically and commercially vital sea lanes used by all contiguous countries.

Commander Yang said Taiwan planned to erect a monument emphasising sovereignty on a Taiwan-occupied islet which it calls Taiping but is also known as Itu Aba.

The Philippines has rejected Chinese demands for the release of 62 Chinese fishermen arrested by the Philippine Navy last weekend and accused of illegal fishing in the Spratlys.

Manila accused China last month of constructing possible naval installations in the Kalayaan Reef, and said it has dismantled some structures.

Malaysia said this week it hopes rival claimants to the Spratlys will resolve their differences peacefully. Vietnam also issued a mild, indirect rebuke to Taiwan and urged talks on the Spratlys issue.

China warned of strong quakes in years ahead

BELING (R) — Seismologists said Friday they expected several strong earthquakes to rock China in the next few years and published emergency regulations to ensure swift response to a disaster.

"Since 1988, we have entered the fifth period this century for strong earthquakes in China," He Yong, deputy director-general of the State Seismological Bureau, told a news conference.

"A number of earthquakes with a magnitude of over seven will probably occur," he said.

The emergency response act for destructive earthquakes, which takes effect Saturday, aims to ensure efficient rescue work while maintaining order after a disastrous tremor, he said.

Regulations also aim to ensure emergency supplies and disaster relief both from home and abroad.

China rejected foreign aid after a catastrophic 1976 earthquake in Northern Tangshan that measured 7.8 on the Richter Scale and flattened 240,000 people and flattened

the city.

Economic losses were estimated at over 10 billion yuan (\$1.2 billion).

The most devastating tremor in recorded history hit northern Shaanxi province in 1556 killing 830,000 people.

"China is one of the countries in the world suffering the most severely from seismic hazards," he said.

Nine earthquakes with a magnitude of eight on the Richter Scale have hit China this century, the bureau said.

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Britain, Sinn Fein hold surprise talks

BELFAST (R) — British officials met Sinn Fein, political wing of the Irish Republican Army (IRA), for unscheduled talks Friday to ease a deadlock in Northern Ireland peace moves.

Their task was to clear a way for the first ministerial talks between the Irish republican party and British government minister on a political settlement.

Sinn Fein, which seeks to reunite Ireland and Northern Ireland, wants talks to include a demilitarisation of the British province — a phrase that would imply discussing a withdrawal of British troops and armed police.

But Britain says it will only discuss a "decommissioning" of Irish Republican Army weapons used in a guerrilla struggle against British rule until the gunmen declared a ceasefire last September.

The unannounced talks took place after more than a week of stalemate over a draft agenda for a ministerial-level meeting to underpin the peace process since the IRA truce.

Britain has refused Sinn Fein calls for the agenda to include a withdrawal of its 18,000 troops and disbanding of a 12,000-strong armed police.

It says it wants to discuss scrapping IRA arms used in a 25-year war against Britain until last year's ceasefire by the IRA and its pro-British Protestant loyalist foes.

Ministers say that IRA arms, which include ground-to-air missiles, cannot be put on the same level as weapons held by security forces to protect the 1.5 million population.

Meanwhile, even the claim that an army colonel was a foreign spy didn't seem to outrage or surprise most Guatemalans.

Col. Alpírez continues to serve as a deputy commander of the capital's main air base.

President Ramiro De Leon Carpio met with Col. Alpírez Wednesday and told reporters there was no proof for the claims and that he suggested the colonel sue Mr. Torricelli in Guatemala and U.S. courts for defamation.

Guatemalans interviewed on the streets expressed no shock.

"It's always the same," said mechanic Luis Avila at an auto electric shop, shrugging off the latest reports of CIA influence.

The CIA was responsible for a major turning point in Guatemalan history, organising the 1954 coup that overthrew leftist President Jacobo Arbenz.

In 1960 and 1961, Guatemala allowed the CIA to set up training bases for the disastrous Bay of Pigs invasion, leaders viewed Kennedy's assassination as a "coup" attempt by ultrarightist U.S. forces that could be used to justify an anti-Communist war.

The 1954 coup and the military-led governments that resulted helped inspire the outbreak of the civil war six years later. The military did not fully release the presidency until 1986 and it remains politically powerful.

The New York Times reported Thursday that the CIA had continued to ship about \$5 million to \$7 million to Guatemala's military after the U.S. government publicly cut off military aid in 1990 over the killing of the inkeeper, Michael Devine.

Col. Alpírez told reporters this week he was neither paid by the CIA nor involved in the murders.

The deaths themselves were hardly shocking in Guatemala. A still-smoldering civil war has claimed 120,000 lives since 1960, and human rights groups have recorded political murders and kidnappings by the hundreds in recent years.

"Look at it as the jaded sense of the Guatemalans," Skinner said. "We've been involved in this dirty war for 30 years ... what's new? That a guerrilla happened to be killed by the army?"

The case took a surprising new twist late Thursday. Relatives of people missing and presumed dead in Guatemala



U.S. First Lady Hillary Clinton (right) and her daughter Chelsea wave from the terrace of the Taj Mahal Thursday during a break in the first lady's hectic 12-day tour of South Asia. Mrs. Clinton and her daughter spent 90 minutes at the white marble mausoleum built by Emperor Shah Jahan as a mark of undying love for his wife Mumtaz (AFP photo)

Protesters greet Mrs. Clinton in Nepal

KATHMANDU (AFP) — Angry leftist demonstrators chanted anti-U.S. slogans hurled black flags at U.S. first lady Hillary Clinton Friday as she arrived for a three-day visit to Nepal.

Police said 19 of the demonstrators, many of whom waved banners saying "Imperialist Yankees go home," were arrested at the airport after a group tossed a bundle of the black flags at the U.S. first lady in a sign of protest.

Those arrested included the leader of the All Nepal Women Revolutionary Organisation, Hisila Yemi, and the secretary general of the All Nepal Trade Union Federation, Kumar Dahal, Mr. Humagi said.

Before the incident, Mrs. Clinton and her daughter Chelsea were taken to the "Very Very Important Persons" (VVIP) lounge at Tribhuvan International Airport by Queen Aishwarya and Princess Shruti at the start of the third leg of their four-day tour of South Asian countries.

The protesters were from the Communist United People's Front (CUPF).

Another communist group,

the United Communist Party of Nepal, took power in the country in legislative elections last November. Mrs. Clinton was due to meet the Communist leader, Prime Minister Man Mohan Adhikari later Friday.

The route taken by Mrs. Clinton's bullet-proof limousine, specially flown in

from the United States, was lined with further groups of angry demonstrators.

UFP official Tulsu Humaga said 19 party members who were arrested had only been waving black flags and shouting slogans and that nothing was thrown.

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A French U.N. soldier aims with his new precision rifle "McMillan" towards Bosnian-Serb sniping positions in the

centre of Sarajevo. The sharp shooting gun has a 12.7mm calibre (AFP photo)

Tanzania closes border with Burundi

NAIROBI (Agencies) — Tanzania closed its border with Burundi Friday to halt an influx of tens of thousands of Rwandan refugees fleeing camps in northern Burundi after murderous clashes between Hutus and Tutsis, a U.N. official told AFP.

A spokesman for President Ali Hassan Mwinyi told AFP the government had not announced the border closure, but was not denying it.

The official with the office of the U.N. High Commissioner for Refugees (UNHCR) in Dar Es Salaam, who did not want to be named, told AFP by telephone that the government had sent troops to seal off the border and that Tanzania's minister of defence was in the area coordinating operations.

The U.N. refugee commissioner, Sadako Ogata, issued a statement in Geneva calling on all governments in the region "to respect the principle of safe asylum."

The exodus from the camps in northern Burundi started Tuesday after an attack on one of them that left 12 dead and 22 wounded, 17 of them seriously, and

ethnic clashes in Bujumbura that resulted in up to 500 deaths.

The unrest prompted the flight of tens of thousands of Burundian Hutus and Zaireans toward Zaire and the precipitate departure for "holidays" of several hundred whites.

The refugees — all Hutus — are carrying meagre rations on their heads and sleeping by the roadside.

Some 3,200 had crossed over into Tanzania by early Friday, before the border was sealed, UNHCR Nairobi spokesman Peter Kessler told AFP, and the UNHCR official in the Tanzanian capital said it was likely others would be able to "sneak through" because of the length of the border.

The 200,000 Rwandan refugees in Burundi are among more than two million who fled last year's civil war in Rwanda in which Hutu extremists slaughtered more than half a million Tutsis and moderate Hutus but were defeated by Tutsi rebels.

A group of 21 Italians is to be evacuated from Burundi

Saturday, the Italian ambassador in Uganda said Friday.

Ambassador Marcello Ricoveri said the evacuees, mainly dependents of Italian expatriates in the central African country, will leave aboard an Air France flight.

Two embassy officials have gone to Bujumbura to make the necessary arrangements for the Italians' departure at 1345 GMT Saturday.

Paramilitary police killed 22 gunmen on a bus south of the Burundian capital and captured another 22, state-run radio and police sources said Friday.

They said 22 were killed Thursday by police who stopped the bus on the road to the town of Rumonge, 80 kilometres south of the capital. Police officers said the gunmen had come from Zaire and planned to attack a police post and army camp.

France said Friday a peace accord it brokered between rival factions in Burundi had brought temporary calm but added the global community must now quickly send food aid and disarm the militias to avert future violence.

Japanese police step up crackdown on sect

TOKYO (AP) — Police Friday arrested two followers of the radical sect suspected in the nerve-gas attack on Tokyo's subways, part of a nationwide crackdown that could mark the end of the sect's kid-glove treatment by authorities.

No one has been arrested yet in connection with the subway attack. But in the wake of Thursday's shooting of the national police chief, police were seizing opportunities to take followers of the Aum Shinri Kyo, or Supreme Truth, sect into custody.

National Police Agency head Takaji Kunimatsu, shot four times in an ambush outside his condominium building, improved somewhat but remained in serious condition.

A manhunt for Chief Kunimatsu's assailant turned up clues: he had been stalked for days by a man in a black coat and shot by a gunman who fired with the precision of a professional hit man.

Aum Shinri Kyo has denied any involvement in either the shooting or the March 20 nerve-gas attack, which killed 10 people and sickened 5,500.

Police have seized chemicals and equipment for making nerve gas in raids at the sect's compounds, but they have been extremely careful to avoid an outright confrontation with a group, which has long claimed it is persecuted by authorities. For the first few days of the raids, police even claimed that they had nothing to do with the subway attack.

But that cautious stance was changing.

An internal police document distributed Thursday orders police nationwide to "root out" Aum Shinri Kyo followers, "utilising all possible laws," the Nihon Keizai newspaper reported Friday.

Police appeared to act on the directive quickly. In west-central Shiga prefecture, they arrested and held overnight two sect followers on charges of having an expired car inspection certificate.

In another prefecture, Shizuoka, police stopped a car for having an out-of-town license plate. Inside, they found two Aum Shinri Kyo followers and some sodium, a potential explosive.

The followers were arrested for failing to carry the required permit for sodium possession, a police statement said.

The crackdown extended to the southern city of Fukuoka, where 100 investigators raided two local Aum Shinri Kyo branches overnight after a former follower told police he was beaten, given injections, and confined when he tried to quit the group.

Police have yet to publicly link Aum Shinri Kyo with either the subway attack or Thursday's shooting, but the cult is considered the prime suspect in the subway gassing.

Efforts to find police Chief Kunimatsu's assailant were hampered by the skillful execution of the attack.

Experts said only a highly trained gunman could have hit Chief Kunimatsu with four out of four revolver shots from more than 20 metres away, even if the gun used high-powered magnum cartridges, as some have speculated.

The assailant fled quickly on a bicycle, leaving only sketchy witness accounts.

A group of Hutus flee into the hills of Gishengano just outside Bujumbura. Up to 500 people have died in clashes between majority

Hutu and minority Tutsi in Bujumbura over the past two weeks (AFP photo)

Clinton visits Haiti grappling with violence

PORTE AU PRINCE (AP) — Five months after ordering U.S. troops to the brink of battle in Haiti, President Bill Clinton visited the Caribbean nation Friday to celebrate the U.S. role in restoring its government. The visit was marred by allegations President Jean-Bertrand Aristide's administration was involved in a political assassination this week.

Arriving from Florida, Mr. Clinton strolled slowly on a red carpet on the airport tarmac. At a small platform, Mr. Clinton stood next to Mr. Aristide, hand over heart, as a Haitian band played the U.S. national anthem.

The nine-hour stop coincides with ceremonies in which the U.S. military will turn over control of the international peacekeeping force to the United Nations. As a result, the American military force there will be cut roughly in half, to about 2,400.

It was just five months ago that Mr. Clinton ordered U.S. troops into Haiti, as part of a plan to force out the military government that had sent the democratically elected Aristide into exile.

So Mr. Clinton's historic visit was designed as a celebration of freedom and peace. But, on the eve of Mr. Clinton's arrival, a senior administration official confirmed reports in Haiti that Mr. Aristide's interior minister, Brig. Gen. Mondeus Seabrun, had been implicated in the plot to kill an unspoken Aristide critic, Andre Durocher Bertin.

Eager to trumpet a foreign policy success, the White House Friday played down allegations that new democratic government was connected to the assassination.

"You can't put us in the

position of assuming that something is true without an investigation," White House Press Secretary Mike McCurry told reporters travelling with Mr. Clinton.

Mr. Clinton himself recalled that Mr. Aristide had promptly asked for help investigating the assassination, his willingness to bring an end to political violence in Haiti.

"As soon as the killing occurred, he asked for help," Mr. Clinton said of Mr. Aristide. "So I think that is some sign of evidence that he wants to get to the bottom of this."

At Mr. Aristide's request, FBI agents were sent to Haiti earlier this week to investigate the allegation.

Mr. Clinton's visit, the first by a U.S. president said Franklin Roosevelt in 1934, included an address to U.S. troops, at a camp called "Warrior Base Haiti."

The U.S. military presence, which peaked at 22,000 troops, will drop to about 2,400 by mid-April. That will be less than half of the planned 6,000-member U.N. force, which will remain in Haiti until next February. An American officer will command the international force. U.N. Secretary-General Boutros Ghali accompanied Mr. Clinton to attend the official transfer of authority.

Mr. Clinton called the military effort "almost a modern miracle." But amid lingering violence, he was warned that the fate of Haiti's democracy now rests with Haitians. "What they need to do is keep things calm," Mr. Clinton said.

After greeting U.S. soldiers, Mr. Clinton was to address the Haitian people from the same presidential

palace where the diplomatic team headed by former President Carter persuaded Haiti's military junta to give up last October.

Troop-filled planes were en route to Haiti until the 11th-hour diplomatic breakthrough turned a planned invasion into a peaceful occupation.

For a president dogged by criticism of his policies toward Bosnia, China, Russia and Somalia, Haiti offers Mr. Clinton a tenuous foreign affairs victory, through a mission that was roundly criticized by Republicans.

One American has been the victim of hostile fire since the U.S. occupation, whereas administration officials had worried there would be more. And Mr. Aristide, called a polarizing demagogue by critics, welcomed U.S. troops and has been an unbending advocate for reconciliation with his former foes.

Mr. Aristide's democratic movement will be tested quickly. Legislative and local elections are scheduled for June 4, with more than 1,000 candidates on the ballot. Presidential elections are set for November.

Haiti has been promised \$1.2 billion in international assistance over 18 months, 25 per cent of which will come from the United States.

U.S. officials said the administration had received word several days ago that Ms. Bertin was a target of a death plot. She was informed of the threat but decided to rely on her own bodyguard.

Her assassination, the wounding of an American couple in a robbery, and persistent street crime are reminders that the transition to democracy is hardly smooth.

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U.N. peace mandate in Croatia delayed over name

ZAGREB (R) — Feverish U.N. efforts to renew a peacekeeping mandate in Croatia, expiring at midnight Friday, have snagged on the politically charged issue of a name.

U.N. observers reported rising tension along U.N.-patrolled buffer zones between Croatian government and separatist Serb forces in the countdown to zero hour for 12,000 U.N. troops stationed in Croatia since 1992.

The government warned Friday it would kick them out this spring — reinstating a move reversed in March under Western pressure — if "Croatia" did not appear in the title of a renamed, revamped U.N. mission mandated by Zagreb.

Governing nationalists were insisting on the country name to reaffirm a series of U.N. resolutions, so far unenforced, certifying Croatia's sovereignty and territorial integrity.

Rebel minority Serbs who hold almost a third of Croatia behind U.N. truce lines were dead set in the waning days of the mandate on retaining its current name which implies protection of their internationally-recognised

breakaway domain.

The current title is U.N. Protection Force and most of its men are deployed inside the Serb-held Krajina enclave carved out in a 1991 revolt against Zagreb's secession from Serbian-led federal Yugoslavia.

A draft U.N. Security Council resolution to be debated Friday in New York would change the Croatia mission's name to U.N. Confidence Restoration Operation (UNCRO).

Meanwhile British U.N. soldiers rescued the 76-year-old commander of the Croatian army and 20 of his men from a military convoy trapped in snowdrifts in a howling blizzard for around 12 hours, U.N. officials said Friday.

General Janko Bobetko, an ex-World War II partisan fighter, and other men including the commander of the Bosnian Croat militia were stranded on a mountain road in western Bosnia.

The 11-vehicle convoy was discovered Thursday, eight hours after a half-frozen Croat soldier stumbled into a British U.N. camp saying his convoy was marooned down the road, said U.N.

Lieutenant-Colonel Barry Hawgood.

Col. Hawgood, spokesman for the British forces in the U.N. peacekeeping force (UNPROFOR) in Bosnia, confirmed earlier reports that five Croat soldiers had been found frozen to death by a British snowplough rescue team.

Meanwhile rebel Serbs claimed swift successes Thursday in a promised counter-offensive against advancing Bosnian government troops.

The Serb military said it had recaptured several strategic points and encircled some Bosnian government troops in the Majevica Mountains in northern Bosnia, the Yugoslav News Agency, Tanjug, reported.

Stung by two successful offensives launched ten days ago by the Bosnian government, Serb leader Radovan Karadzic had threatened a counter-offensive and has vowed to drive the Bosnian government to surrender.

Government troops have been trying to take a vital Serb communications tower at Stolice in the Majevica Heights, and for the past several days were reported to have it surrounded. But the

Tanjug report gave no details of the Serbs' alleged successes, and U.N. officials could only confirm artillery battles in the area.

In central Bosnia, U.N. officials confirmed a Serb counterattack on Mount Vlasic, where government troops have gained about 50 square kilometres of territory and a communications tower.

In an interview with the Italian daily *l'Espresso*, Mr. Karadzic suggested the government offensives fit into the Serbs' overall strategy: "Make the Muslims enter our territory and then eliminate them."

"We are determined to go all the way until our enemy's capitulation," Mr. Karadzic said. "We will even take the cities protected by the U.N."

There has been speculation that the Serbs might try to overrun one or all of three small eastern Muslim enclaves which are among six U.N. declared "safe havens."

Reflecting the mixed signals he has given since his troops were surprised by the government advances, Mr. Karadzic said he was still open to negotiations but put the onus on the West.

Russia takes last big Chechen stronghold

A Chechen woman carries her belongings on a carriage as she walks past a Russian APC on her way back to Grozny. Some 150,000 of Grozny's residents have come back to the Chechen capital (AFP photo)

Russia takes last big Chechen stronghold

MOSCOW (R) — Russia said Friday its forces had taken the last major rebel base in Chechnya, putting more than two-thirds of the breakaway region under its control.

A Defence Ministry spokesman said Russian troops had seized the rebel stronghold of Gudermes, Chechnya's second biggest town 45 kilometres east of Grozny.

If Shali and Gudermes are in Russian hands, Moscow's forces would control some 80 per cent of rebel-held territory in Chechnya.

The remaining points pose no serious obstacles and problems for the Russian troops," the spokesman added.

ITAR-TASS news agency quoted a spokesman at the Russian command headquarters in Mozdok, north of the Chechen region, as saying Shali fell at two o'clock p.m. (1000 GMT).

Interfax News Agency said Shali had been taken without a fight. According to Russian news reports from Chechnya most of the forces of rebel leader Dzhokhar Dudayev left Shali last week after days of heavy shelling.

The reports could not be confirmed independently and

there was no news from the Chechen side.

Jordan Times

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Refreshing start

STAGNATION IN the peace talks on both the Palestinian-Israeli and Syrian-Israeli tracks requires imaginative and fresh ideas to push the process forward. Such ideas are coming from both Israel and Russia.

The Russian foreign minister, Andre Kozyrev, is currently in the Middle East with the old-new talk of fresh ideas to enhance the process. The Russians have, as of late last year, been advocating a new Madrid formula to lay down new rules for the peace process. Mr. Kozyrev, who met Syrian President Hafez Al Assad on Thursday, was reported to be carrying "fresh Russian ideas to reinvigorate the peace process."

The most constructive ideas, however, have come from the Israeli deputy foreign minister, Yossi Beilin. Mr. Beilin was reported from the U.S. as having: a) called on the U.S. to play a more active role in the peace talks; b) advocated the immediate start of final status negotiations with the Palestinians, and c) urged American Jewish organisations to refrain from criticising the Palestinian leadership.

Driving his point home, Mr. Beilin said that active American involvement had secured the resumption of the talks between Syria and Israel. Had Secretary of State Warren Christopher made his last visit to the region a month earlier, Mr. Beilin observed, the talks between Syria and Israel would have resumed a month earlier.

The point at which Mr. Beilin's call for the start of final status negotiations with Palestinians coincides with Mr. Kozyrev's new ideas is very significant, especially that the Americans seem to recognise that they need to directly involve themselves in the process. Mr. Christopher's sitting in on the meeting between the Israeli and Syrian ambassadors in Washington was an example of the U.S.'s recognition of the vital role it can play.

Whether, at the end of the day, it is Moscow's fresh ideas or Mr. Beilin's call for acceleration of the talks, the peace process, bogged down by its own mechanism, can use a fresh start. The enthusiasm of both Washington and Moscow and their sense of urgency are in themselves refreshing.

ARABIC PRESS COMMENTARIES

AL RA'I Arabic daily said in its editorial Friday that Jordan's principled stand on peace in the Middle East is the stand that should prevail in all countries involved in the Arab-Israeli conflict because such a stand is the real guarantor of peace and stability in the region and is the basis for economic and social development. The newspaper said real peace is the peace that brings positive and essential change that can be felt by the peoples of the region as His Majesty King Hussein told the Foreign Affairs Committee of the American Senate and other decision-makers in Washington. It said such a stand won King Hussein's peace efforts American appreciation and full commitment to supporting Jordan in all fields, whether in terms of debt forgiveness or in renewing the American pledge to continue to support the peace process as provided for in the Madrid peace conference. This was also why the American Senate voiced appreciation of Jordan's vital and distinguished role in seeking to achieve peace in the region.

AL DUSTOUR Arabic daily dealt with His Majesty's call at a meeting with the U.S. Senate's Foreign Affairs Committee for joint action to enhance the concept of peace in the Middle East at a time when the peace process is passing through a decisive stage and the people of the region are bracing for receiving the economic dividends of the process. The paper said such a call is important for three factors. The first of these factors, it said, is that the call is issued by King Hussein, who led his people with firmness, courage and foresightedness to the threshold of a just and honourable peace and through calculated risks that require the support of the sponsors of the peace process. The second, the paper added, is that the people to whom the call was made are the members of the U.S. Congress, which hold one of the most important keys to the American foreign policy in the Middle East. The third factor is that the peace process now needs all the support it can meet because it is facing grave difficulties.

Jordanian Perspective

No room for questioning Jordan's commitment to peace

By Dr. Musa Kellani

IT IS TOO EARLY to determine the definitive outcome of His Majesty King Hussein's visit to the United States and his talks with President Bill Clinton and other senior administration officials and congressmen. But one thing is clear: The King left no room for any question on Jordan's commitment to peace and sincere wish to see comprehensive peace in the Middle East as well as the Kingdom's willingness to help advance all tracks of the Arab-Israeli peace negotiations.

The Kingdom's choice of peace did not stem from short-term considerations but from a deep conviction that the future of the region and its people could be served only in a state of peace, stability and security. That choice happens to be in the interests of not only the United States but also all peace-loving nations.

Having made peace with Israel, Jordan now faces the challenge of ensuring that peace reflects on people's life. And that is where the United States and all others come in. If the objective of the whole exercise of the peace process was to ensure security and stability in the region and eliminate the shadow of conflict hanging over people's lives, then Jordan had done its part, and others have to play their parts. In the meantime, it is essential that Jordan is helped to consolidate peace and translate it into a better life for its people. Time and again, this has been made clear to everyone concerned, but very unfortunately the idea did not seem to have penetrated the minds of many who are in a position to extend help to Jordan.

In any event, the King left no ambiguity when he told the Americans that signing a peace treaty with Israel did not mean all well and the international community could simply forget about Jordan and its needs. Maintaining that peace is a major task that confronts the Kingdom and it needs help. If such help was not forthcoming, then it would only boost the forces of extremism in the region and they could even reverse the process of peace.

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ers and decision makers. The King has done precisely that. Many American lawmakers, whenever they take the floor in any debate on the Middle East, go out of their way to highlight the threat of Muslim fundamentalism and extremism against "Western values." They give very little credence to the fact that Islam as a religion has little to do with what they consider a threat and that many of the acts of violence that the region is witnessing could be traced back to people's frustration over the injustices they have suffered for long. Of course that is no justification for violence, but the reality could not be brushed aside.

As such, the same American lawmakers would be well-advised to take into consideration that improving people's life also means creating something that people would cherish and would balk at risking, whether in Jordan or anywhere else. And if Jordan is unable to do that, then the only beneficiary would be those who nurture negativity at the expense of forward-looking optimists willing to play their part to advance the quest for a better life for all of us in the region.

Remembering failures of Arab League

By Pascal B. Karmy

MARCH 22 marked the 50th anniversary of the establishment of the League of the Arab States, which includes 22 members. Regrettably, though, the League has not been able to achieve the expectations and national aspirations of the Arab peoples. In fact, it has proven to be the league of states rather than of the Arab people. Thus, all differences or disputes which occurred among the member states adversely impacted upon the Arab people.

A foreign observer may wonder why the Arab states do not act in unison despite the fact that they have many things and elements in common. These states have the same language, religion, culture, traditions and shared history with some slight differences. Arab states should despite the internecine wars which they had waged against each other for many centuries, they closely and intimately cooperate and speak almost in one voice in international forums. They form one of the biggest and most influent and economic blocs in the world and can compete with the American and Japanese blocs. The 15 states of the EU states have almost lifted the controls and seven of them have gone so far as to allow their citizens to cross the borders of each other without passports or identity cards.

The Arab citizen wonders when similar facilities will be made available for Arab citizens, let alone non-Arabs, so as to ease the difficulties of travel from an Arab country to another.

It is indeed incumbent upon the Arab states themselves to make the league work and be powerful and prestigious and to consequently transform the league into one of the world's political and economic units or blocs that should be respected. The Arab states, which presently have more than two hundred million people, should help energise the league's activities so that it will become the symbol of a united Arab will and determination in the face of the so-called new world order in which the weak will be subdued if not annihilated. It

is high time for the Arab states to stand together against external threats and aggressions on the Arab peoples and to force Israel to withdraw from occupied Arab territories.

However, to do justice to the Arab League, we should mention some of the positive aspects of the league's activities. The league has endeavoured to play a role in international politics as it has a permanent representative at the United Nations and has contributed there to the decolonisation of many countries which were under European rule. It has affirmed non-alignment within the Non-Aligned Movement and encouraged African-Arab cooperation based on common interests.

The Arab League succeeded in averting the invasion of Kuwait, by the government of Abdul Karim Qassem in Iraq in 1973. But it has unfortunately failed to solve the crisis resulting from the invasion of Kuwait by Iraq in 1990. This unjust invasion presented one of the rare opportunities which the Arab states should have seized to enhance the prestige of the Arab League by taking immediate urgent steps to solve the crisis. They should not have left it to the United States and other foreign powers to intervene by waging war on Iraq in conjunction with some member states of the Arab League.

Arab World remains divided to the detriment of all Arabs

By Sa'eda Kilani

JORDANIAN WRITERS and columnists last week lamented the dissent and disunity that prevails in the Arab World as they contrasted the lack of democracy in Arab countries with the European success-ful attempts at unification.

Columnist Sultan Hattab said the Schengen Treaty, which allows free travel between seven European countries, is the gift of the European Union (EU) to its peoples. This is a treaty that is forged by the will of the people based on democratic principles and carried out by consensus of all European citizens, he added.

We the Arabs, despite our dire need for unity, could not translate any of our aspirations and ambitions into reality, he said. On the contrary, our dissent is entrenched because we drowned ourselves with slogans, he added.

Now an Arab citizen can move freely between the European capitals easier than moving inside his/her own country, he said. It took me only two minutes to pass from France to Switzerland, I felt so bitter, he said.

Ali Safadi, a weekly columnist at Al Dustour, said that when he heard of the Schengen Treaty, he wished the same would happen in all Arab countries. Despite all historical links that bind Arab countries, and despite the fact that the Arab people speak the same language, they implement a totally contradictory policy to their ambitions, he said.

The travel restrictions in some Arab countries are getting more and more complicated, Mr. Safadi said. Travellers would stay for a very long period of time trying to pass through a checkpoint from one Arab country to another.

Mr. Safadi said that while Arab media continue to speak of good relationships among Arab countries, the situation is totally different. Not only travellers have to pass through tedious procedures, but they are also subjected to all kinds of questioning and prolonged investigations. Under the current circumstances, how can we blame Arabs for vacationing abroad? he said.

He said it would be in

THE WEEK IN PRINT

Samir Qatami in Al Ra'i attributed the lack of unity among Arab countries to the lack of democracy and the continuous violations of human rights. He said huge financial and administrative corruption, domination of key positions by tribal figures and mismanagement are all contributing elements to disunity and differences among Arab countries.

In his daily column at Al Dustour, Mu'nis Razzaz showed deep concern over the lack of democracy in the Arab countries. He said there was a sad regression in the contemporary democratic experiment in the Arab World, though this experiment seemed irreversible in the mid-1980s

and early 1990s. This regression raises all sorts of fears and frustration, he said.

Mr. Razzaz called on all Arab intellectuals and foreign experts in Arab and Middle East affairs to look into the root causes of this crisis and methods of overcoming it.

Fated Al Fanek, a columnist at Al Ra'i, contended that normalisation was more dangerous on Israel than on Arab countries. In his column, entitled the dangers of normalisation, Dr. Fanek attributed the Arab writers' recurrent admonitions of the repercussions of normalisation on Arab countries to psychological factors, or to suspicion complex.

He said it would be in

have acquired certain rights and will continue to pose a threat to the association unless a solution is found.

In the weekly Shilhan, Toujan Faisal criticised the Artists Association for sacking actress Shafiqah Al Tal for her role in Egyptian series, Layali Al Hilmiyah, which the association said, hurt the reputation of Jordan.

Ms. Faisal, who is a member of the Lower House of Parliament, said that unions and associations are essential factors for the progress and prosperity of democracies in the world and therefore should not be used as a new repressive tool and a dictatorship authority. Referring to the Jordan Press Association, which she says, has been transferred into a repressive authority, Ms. Faisal warned of monopolising unions and exploiting them.

LETTERS

Seeming ghosts in broad daylight

To the Editor:

REGARDING THE article in March 29 issue of the Jordan Times, by Michael Stott, Reuter, on the subject of democracy in Latin America, I wish to clarify some points in relation to Brazil.

First, the case of police brutality which is referred to by the author is being dealt with under the law. The perpetrators of such a hideous crime have been arrested and are being prosecuted. Unfortunately for mankind, acts of brutality on the part of police officers are not exclusive to Brazil or to Latin America.

Second, the author does not clarify the reasons why the Tulane University professor is not optimistic about democracy in Latin America. It is hard to understand the reasons why you are not contributing to democracy by implementing electoral reform and cleaner elections? Maybe Mr. Stott was hard pressed for time to produce his article and did not bother to substantiate Professor Camp's assertion.

Third, no country can be a democracy "only because the law says so". That is true for any country. However, if the laws are not there, to assure that people can exercise their rights, no political system will ever be perfected.

Fourth, I fail to grasp the relation the author establishes between the authoritarian past and present problems. Maybe he is seeing ghosts in the broad daylight of the total freedom of expression and open elections that have prevailed in Brazil for the last 10 years.

Fernando S. Alves,
Ambassador of Brazil,
Amman.

'An enchanting experience' in Jordan

To the Editor:

IN PREPARATION for our self-guided tourist trip to Jordan, I surveyed the travel sections of various on-line computer bulletin boards. Concerning potential dangers such as theft, the experienced respondents answered that I could leave a suitcase on a street corner and it would still be there a week later. I thought this was unbelievable until my wife and I visited the country last month and became a believer.

On the second day of our trip, suffering from jet-lag, we stopped for coffee at an outdoor cafe in Petra, the rose-red city as old as time - a highlight of any tour to Jordan. After coffee we walked around for several hours and headed back to our hotel. When I looked for the room key I realised my backpack was out with me. In addition to the room key, my backpack contained all the airline tickets for three additional countries, prepaid tickets for tours in Egypt and Italy, traveler's checks, all my credit cards, and all my money. Basically I felt that I would have to cancel my entire trip and try to figure out how to get home at a loss of thousands of dollars.

I returned to the outdoor cafe where we had coffee, but the backpack was not there. I asked everyone if they had seen it and was told to check at the Tourist Police Station. I figured this was a brushoff, and held out little hope. I found the police station and was told to sit down and wait. At that point I was the most dejected, disappointed traveller that ever was.

Imagine my surprise when several policemen came out from a back room with my backpack and inventoried all my belongings. Not one thing was missing! We all celebrated by sitting around the Tourist Police Station in a circle, drinking their hot sweet tea and making toasts to each other and to the bedouin who had turned in my backpack. The recurring phrase they used was "Welcome to Jordan", which I repeatedly heard from all the locals I met during the remainder of my most delightful and memorable trip.

If you want to have an enchanting experience with wonderful people and unique sights, take a few days to skip across the Sinai and the Jordan River and visit this newly opened country whenever you schedule a trip to Israel or Egypt. You will feel as welcome as we did.

By the way, I tried to reward my bedouin friend. He would not take money, but made me promise to go home and tell all my friends about the hospitality of Jordan.

Thomas G. Sonsini,
Newberry, FL,
The United States.

The Jordan Times welcomes letters and contributions from its readers on any subject they wish to tackle. Letters intended for publication, however, should contain the writer's full name and preferably address as well. Names can be withheld only upon request and under special circumstances. Letters are subject to editing. The newspaper is not responsible for the return of unused manuscripts.



ARAB BANK

CHAIRMAN'S MESSAGE

Dear Shareholders,

Various efforts were made in 1994 to resolve the Arab-Israeli conflict, beginning with the Oslo Agreement and ending with the Jordan-Israel peace treaty, and continuing discussions are still being undertaken regarding the occupied Golan Heights and the South of Lebanon. It is hoped that these efforts will promote the creation of a stable environment, but the expected peace dividends may not be achieved in the near future. This is because securing peace requires the establishment of justice and this has not yet been attained.

Events of the coming years will decide the final outcome of the peace process, and the future will be determined by the Israeli commitment to the substance of the agreements. Jerusalem should be returned to Arab sovereignty together with Arab Palestinians' rights and land. The Golan Heights should be returned to Syria and South Lebanon with its water returned to Lebanon.

The Palestinian people should be able to handle their affairs, democratically. This will help them honour their commitment to peace and lead to a meaningful relationship with Jordan.

The economic development and prosperity of the Arab people are vital ingredients for political stability. Peace should not only be used to access the Arab markets. The world's advanced industrial nations should participate in both the economic and technological development of the Arab world. On the other hand, the Arab countries should unify their efforts and resolve their differences so as to protect their legacy and promote their culture. To meet the continuing economic challenges, appropriate laws and regulations should be established to facilitate the organised and efficient transfer of goods, capital and manpower within the Arab World.

The history of the Arab Bank has been entwined with the history of the Arab people, and the Bank is positioned as a major player in the economic development of Palestine. It has already reopened its branches in Gaza, Nablus and Ramallah, and opened a new branch in Jericho. More branches are planned for opening within the next few months. Arab Bank will also participate with a majority share in the Arab Palestinian Investment Bank, a full-fledged commercial and investment banking entity operating in the self-rule areas. The other shareholders are International Finance Corporation - IFC (25%), Deutsche Investition- und Entwicklungsgesellschaft MbH - DEG (25%), Palestine Investment and Development Co. Ltd. - PIDC (5%) and local investors (4%).

1994 was a turning point for the economic and financial affairs of the Arab world. Previously committed expenses have drained liquidity from several countries. Spending on long-term investments and operational activities declined. Private sector business which relies heavily on public spending, declined substantially, thus adding to the stagnation in the markets. Shortage of liquidity was witnessed as a result of these difficulties. Ready cash and liquidated investments were repatriated from the international financial markets back to the Arab World.

That investment opportunities in the Middle East are as good as those in international markets was proven in 1994. Another important observation, which may be considered as a lasting implication of this phenomenon, is the absence of easy funds available in the Middle East for international financiers. The Arab markets will most probably be net importers of liquid funds in the future rather than net exporters, especially after

the move in several countries to privatise publicly owned entities. Financial institutions wishing to operate successfully in these markets have to adopt more positive views towards investment in this area.

The management of Arab Bank has always worked as a positive and effective contributor to the development of the economy of the Arab world in the countries where the Bank operates. The prevailing circumstances are most appropriate to achieve our objectives and Arab Bank looks to the future of the Arab world with confidence and with great expectation.

The major changes that began in the financial markets in the 1980s and early 1990s have reached maturity. Deregulation and integration have been allowed to progress and have released powerful market forces that have improved capital market efficiency globally. Deregulation has accelerated a convergence of financial regulatory practices around the world, allowing non-banking firms to gain greater market access. This has increased competition for market share, not only because fixed commission and distribution structure have been eliminated, but also because new players have been allowed to enter formerly restricted national markets. The last few years have also brought important changes for the multinational banks as they have discovered that the world of finance is more closely linked across international borders than ever before. Globalisation of the financial markets has not only produced new opportunities, but has also exposed banks to tough competition from large and efficient foreign financial institutions.

What has emerged, however, is a fast changing industry. Adaptation in such an environment is the key to survival. Through adaptation, the leading financial institutions will be better able to manage risks. They should have a deep commitment to serving clients before acquiring benefits from them. The financial institutions that can adapt successfully are those able to offer the most up-to-date responsive, comprehensible and useful services. Proficiency in capital markets requires real time knowledge of the world's major financial markets as well as trading skills, distribution capability and the ability to manage and hedge all kinds of financial risks.

Arab Bank management understands the dynamic forces that are reshaping the banking industry. The difficult process of adaptation and adjustment is an ongoing phenomenon. Arab Bank is complementing its branch network continuously, and automation and modernisation of its financial services are key issues in its operations. Clustering a wide range of financial products according to different market characteristics has also been a key feature of its strategy. Arab Bank's resources are employed to enhance its services to its clients and it works to satisfy the needs of its customers in a simple and direct manner. The Bank never takes quality for granted.

The results of your Bank in 1994 were good, in spite of continuous changes in the international financial markets and the indecisive attitude which prevailed in the Middle East as a result of the continued activities relating to achievements of a political settlement in this area.

I am pleased to announce that the net income of Arab Bank Plc increased to JD 70.5 million from JD 59.5 million in 1993, representing a growth rate of 18.5%. These results were achieved for the first time in the history of your institution. Net income for Arab Bank Group reached US\$ 141.2 million, representing an increase of 31.7% over



the 1993 figures. Total assets reached JD 8,296.2 million in the Bank and US\$ 14,486.1 million in the Group. The stability in the Group's assets is a direct result of the tightening of the money markets in the Middle East as well as of the fluctuation in exchange rates. On the other hand, the Group's liquidity remained higher than local and international norms. Total cash and quasi-cash to total assets was 58.9% at the end of the year for the Bank and 59.3% for the Group.

The Bank continued its constructive effort in building its risk assets. Total loan portfolio (net of doubtful debt allowance) reached US\$ 5,108.5 million in the Group at the end of 1994 compared to US\$ 4,313.9 million at the end of 1993. The growth of US\$ 794.6 million reflects the results of the Group's efforts to expand its prime quality lending, its success was limited by both the political and economic factors which dominated the international markets in general and the Middle East market in particular.

The Board of Directors of Arab Bank Plc has proposed to the General Assembly the distribution of JD 15.4 million in cash dividends, which represent 35% of paid-in-capital, and allocation of the balance of distributable income to the disclosed reserves. Accordingly, the shareholders' equity for the Bank at the end of 1994 reached JD 487.0 million compared to JD 432.0 million at the end of 1993. The Group's equity reached US\$ 1,180.5 million. The ratio of the shareholders' equity to total assets rose to 5.9% for the Bank and to 8.1% for the Group compared with 5.7% and 7.4% at the end of 1993. Capital adequacy ratio calculated according to the Basle rules was 12.62% for the Bank and 13.65% for the Group. It is important to note that the required ratio of the Basle committee and the leading central banks is only 8%. The positive difference leaves ample room for the Group to increase its loans and investments in the future, given the changes in Middle East political risks.

The term of office of the previous Board of Directors came to an end as of 31 March 1994. All Board Members were re-elected. I regret to convey to you that Mr. George Tannous passed away on 14 October 1994. On behalf of the Shareholders and the Members of the Board, I would like to extend my sincere condolences to his family.

On 18 January 1995, Mr. Nasser Alrashid was elected by the Board to fill the vacant seat according to paragraph (A) of Article 178 of the 1989 Jordan Company Law.

On the occasion of your Annual Meeting, I would like to express my deep appreciation and thanks to the staff of Arab Bank and to its customers and shareholders, without whose faith, effort and support, the continued success of the Bank would not have been possible. I would also like to extend my best and sincere wishes to each one of you. May God bless you all.

Abdulmajed Shoman
Chairman, Board of Directors

DEPUTY CHAIRMAN'S MESSAGE

65 YEARS OF SERVICE

On 14 July 1995, Arab Bank will celebrate its 65th anniversary. The Bank has not only survived. It has succeeded and grown. These simple words are the return on the investment of millions of hours of hard work by the people of Arab Bank.

Arab Bank was a lender in the introduction of banking to many Arab countries. It was ahead of its time in realising the importance of an Arab Bank and its vital role in the development of the economy of the Arab world. The same pioneer spirit led Arab Bank to new frontiers and further achievements as it later branched out into important international financial centres, including London, New York and Singapore.

Few financial institutions have flourished so well under the same difficult circumstances and hardships as those faced by Arab Bank. The Bank has survived throughout a turbulent period of history in the Middle East. Starting with the British Mandate in Palestine and ending with the recent Oslo Agreement, Arab Bank has been affected by almost all foreign campaigns and local national crises in the area. The Bank has endured the tripartite invasion in Egypt in 1956, as well as the recent highly regrettable civil war in Yemen and the suffering in Lebanon, Kuwait and Iraq. Several Arab Bank branches have weathered extreme difficulties, and they have operated under fire on the front lines in Aden, Beirut and Jerusalem. Whenever a branch was forced to close, due to war or nationalisation, a new branch was opened nearby, reflecting Arab Bank's will and desire to succeed.

Arab Bank has continued on the path envisioned for it with persistence and tenacity. The Bank has not operated in a vacuum and the majority of the Bank's management, staff and clients are drawn from the communities which it serves. Thus, Arab Bank's mission to serve these communities and participate effectively in the development of their welfare has resulted in a strong mutually beneficial relationship between the Bank and its clients. Whenever some other banks have chosen the easy option of dropping out when difficulties prevailed, Arab Bank has stood fast and disregarded profit and expense. Arab Bank has honoured its obligations no matter what the price of the difficulty, it has stood beside its people and served them well; in return they have trusted the Bank and helped it to succeed.

Arab Bank is one of the oldest banks operating in the Arab world as well as one of its most advanced and modernised financial institutions. It is effectively managed, soundly capitalised and profitable. Arab Bank offers a wide range of service to an increasingly sophisticated clientele. The ability of the Bank's management to employ state-of-the-art modern technology, as well as to comprehend and adapt to the significant factors which are continuously influencing and reshaping the banking industry, has become the cornerstone of the



Bank's strength.

The dynamism of the Bank's clients has motivated the Bank to outperform. Following the petro-dollar boom, Arab businessmen had direct access to the world's most advanced financial markets. They became more sophisticated and experienced in dealing with modern and complex financial services and products. To meet their new needs and requirements, Arab Bank has pioneered the introduction of new financial services to the Arab world. The innovations of the Bank have not been limited only to the promotion of new products, it has modified some complicated and sophisticated services, in order better to fit the local markets and improve its services to customers. On some occasions the Bank has refrained from offering certain product lines, because such products either did not fit well with its clients' needs or were deemed to be possibly detrimental instead of beneficial to their interests.

A major characteristic of Arab Bank is its concerted presence in the Arab world and its spreading network in the most important world financial centres, as reflected in the geographical distribution of Arab Bank at the end of 1994. Arab Bank entities located in Europe comprise the majority share of total assets (38.4%), loan portfolio (22.5%), deposits (39.5%) and revenue (34.3%). The Arab countries, excluding Jordan, rank second with total assets (27.3%), loan portfolio (37.3%), deposits (29.0%) and revenue (30.2%). Jordan ranks third with total assets (18.2%), loan portfolio (18.7%), deposits (20.9%) and revenue (21.8%). The Far East and Australia gained over North America with loan portfolio (16.3%) and revenue (8.2%), but North America ranks fourth in terms of total assets (8.2%) and deposits (6.8%).

After 65 years of hard work, Arab Bank has now become a strong financial institution with total balance sheet exceeding US\$20 billion; shareholders' equity close to US\$1,200 million; and net income of some US\$150 million. The results of Arab Bank in 1994 reflect the Bank's ability to succeed and the depth of its financial power. We can only conclude from this that the Bank is ready to enter a new era in the world of banking both at the regional and international level.

Khalid Shoman,
Deputy Chairman



ARAB BANK

Balance Sheet as of 31 December 1994 and 1993

	1994	1993	1994	1993
Assets	J.D. ('000)	J.D. ('000)	Liabilities and Shareholders' Equity	J.D. ('000)
Cash and due from banks	3,864,954	3,695,687	Deposits and other accounts	7,625,752
Securities and investments	1,022,153	985,629	Acceptances	112,853
Loans and advances	3,131,549	2,668,564	Accrued interest payable	55,101
Customers' liability			proposed dividends and remunerations	15,455
on acceptances	112,853	92,004	Capital	44,000
Premises and equipment	53,526	48,532	Statutory reserve	44,000
Accrued interest receivable	65,942	46,949	Voluntary reserve	94,000
Other assets	45,184	33,061	General reserve	305,000
Total Assets	8,296,161	7,570,426	Total Liabilities and Shareholders' Equity	8,296,161
Customers' liability on guarantees and letters of credit	2,935,847	2,422,468	Guarantees and letters of credit	2,935,847
Total	11,232,008	9,992,894	Total	11,232,008

Profit and Loss Statement for the years ending 31 December 1994 and 1993

	1994	1993
Revenue	J.D. ('000)	J.D. ('000)
Interest revenue	499,338	415,141
Less: Interest expense	336,713	271,864
Net interest revenue	162,625	143,277
Non-interest revenue		
Commissions	46,129	42,129
Foreign exchange trading	16,233	12,898
Other revenue	30,075	22,589
Total non-interest revenue	92,437	77,616
Total Revenue	255,062	220,893
Expenses		
Salaries and staff benefits	67,266	57,670
Depreciation of premises and equipment	6,481	5,797
Other expenses and provisions	82,158	77,892
Total Expenses	155,905	141,359
Net income before income taxes	99,157	79,534
Income taxes	28,702	20,079
Net Income	70,455	59,455
Appropriations		
To statutory reserve	8,000	
To voluntary reserve	19,000	15,000
To general reserve	36,000	21,000
Proposed cash dividends	15,400	15,400
Directors' remunerations	55	55
Total Appropriations	70,455	59,455

Cash Flow Statement for the years ending 31 December 1994 and 1993

	1994	1993
Cash flow from operations	J.D. ('000)	J.D. ('000)
Interest and non-interest revenue	594,087	492,757
Interest and commission expense	(339,025)	(271,864)
General and administrative expenses	(149,424)	(135,562)
Cash flow from operations before changes in assets and liabilities	105,638	(85,331)
(Increase) decrease in assets		
Loans and advances	(462,985)	(72,363)
Securities and investments	(36,524)	(116,694)
Other assets	(31,116)	8,024
Increase (decrease) in liabilities		
Deposits and other accounts	649,886	415,921
Net cash flow from operations before tax	224,899	320,219
Income taxes	(28,702)	(20,079)
Net cash flow from operations	196,197	300,140
Cash flow from investments		
(Purchase) sale of fixed assets	(11,475)	(12,070)
Net cash from investments	(11,475)	(12,070)
Cash flow from financing		
Dividends paid	(15,455)	(13,255)
Net cash flow from financing	(15,455)	(13,255)
Net increase (decrease) in cash	169,267	274,815
Cash and due from banks at the beginning of the year	3,695,687	3,420,872
Cash and due from banks at the end of the year	3,864,954	3,695,687

Conversion rates of foreign currencies against the Jordanian Dinar for consolidation purposes

Currency	End 1994	End 1993	Currency	End 1994	End 1993
Bahraini Dinar	0.538	0.535	Pound Sterling	0.911	0.958
Cyprus Pound	0.679	0.739	Qatari Riyal	5.190	5.170
French Franc	7.613	8.319	Spanish Peseta	187.992	201.944
Greek Drachma	342.623	353.892	U.A.E. Dirham	5.240	5.220
Italian Lire	2,309.470	2,415.460	U.S. Dollar	1.427	1.420
Korean Won	1,125.470	1,147.500	Yemeni Riyal	17.140	17.050
Lebanese Pound	2,350.270	2,429.620			



ARAB BANK

Balance Sheet of Jordan Branches as of 31 December 1994 and 1993

	1994	1993		1994	1993
Assets	J.D. ('000)	J.D. ('000)	Liabilities & Shareholders' Equity	J.D. ('000)	J.D. ('000)
Cash and due from Banks	742,128.433	657,767.170	Customers' Deposits	1,909,661.087	1,800,483,381
Cash at Central Bank of Jordan	647,985.670	630,664,081	Banks' Deposits	58,776,635	28,963,137
Government Securities	98,727,913	126,557,441	Borrowed Funds	109,609	83,033
Loans and Advances (Net)	681,775,210	582,112,568	Cash Margins	115,073,829	99,625,481
Marketable Securities	21,642,280	16,668,353	Provisions	15,820,926	9,048,988
Fixed Assets (Net)	17,465,147	16,274,701	Other Liabilities	53,720,338	37,231,517
Other Assets	14,615,749	11,849,812	Total Liabilities	2,153,162,424	1,975,435,537
Total	2,224,340,402	2,041,894,126	Paid-up Capital	44,000,000	44,000,000
			Statutory Reserve	8,441,527	8,441,527
			Voluntary Reserve	18,736,451	14,017,062
			Total Shareholders' Equity	71,177,978	66,458,589
			Total Liabilities and Shareholders' Equity	2,224,340,402	2,041,894,126

AUDITORS' REPORT

To the Shareholders of Arab Bank Plc
Amman-Jordan

We have audited the accompanying balance sheet of Arab Bank Plc (a Jordanian Public Shareholding Limited Company) as of December 31, 1994, and 1993 and the related statements of income and cash flows for the years then ended. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit. We have obtained the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

The Bank maintains proper accounting records which are in agreement with the accompanying financial statements and with the financial information included in the Board of Directors' report.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of Arab Bank Plc as of December 31, 1994 and 1993 and the results of its operations and its cash flows for the years then ended in accordance with International Accounting Standards, and we recommend that the General Assembly approve these financial statements.

Amman-Jordan
January 22, 1995

Saba & Co.

Profit and Loss Statement for the years ending 31 December 1994 and 1993

	1994	1993
	J.D. ('000)	J.D. ('000)
Interest Revenue	117,264,720	96,280,112
Commissions	13,927,674	12,847,180
Less:		
Interest Paid	83,017,667	71,716,453
Commissions Paid	291,819	313,020
Interest & Commissions	47,882,908	37,097,819
Plus:		
Income from:		
Securities Portfolio	6,777,290	6,277,074
Foreign Exchange Trading	2,256,831	2,755,237
Other Revenue	1,430,204	1,096,560
Less:		
Provisions for Doubtful Loans	6,378,852	2,000,000
Loan Losses	95,652	6,670,241
General and Administrative Expenses	28,275,871	23,653,091
Income Before Tax	23,596,858	14,903,358
Tax	(14,572,100)	(6,250,000)
Income After Tax	9,024,758	8,653,358
Appropriations		
Statutory Reserve	--	1,490,336
Voluntary Reserve	4,719,389	2,980,672
Universities Fees	235,969	149,034
Provision for Scientific Research	235,969	149,034
Management Profit	3,833,431	3,884,282
Total	9,024,758	8,653,358

ARAB BANK



BOARD OF DIRECTORS' 65th ANNUAL REPORT

For the year ending 31 December 1994, submitted to the General Assembly of Shareholders at the Annual Meeting held at the Bank's Head Office Building, Shmeisani, Amman, at 10 a.m. on Friday, 31 March 1995.

Dear Shareholders,

In 1994, Arab Bank Group faced changing conditions and new uncertainties in the Arab world as well as in the international financial markets. Its strong financial position combined with the efforts of its management team enabled the Group to meet these challenges successfully and to achieve good results. The following section of the report contains a review of the business environment and an analysis of the financial and operational performance of the Group.

Business environment

Multinational financial institutions operated in more agreeable conditions during 1994 as the economy of the industrial world continued the progress begun in late 1993. The United States achieved a good growth rate in its Gross Domestic Product as a result of a strong increase in its domestic consumption and in its capital spending, and the significant increase in imports to the United States enhanced the economic growth of other countries. The monetary policies adopted in the EC countries in the early 1990s produced encouraging developments during 1994, with the average annual economic growth in the EC countries reaching 3% compared to the negative growth recorded during 1993.

Movements in the economic cycle however were not completely synchronised among the industrialised nations in North America, Western Europe, and the Pacific rim. The economic turn-round in the United States and in most of the Western European countries was not accompanied by similar activity in Japan. The United States, the United Kingdom and Canada achieved a GDP growth rate of around 4%. From the second quarter of 1994 onward, Germany and France showed stronger than expected results. On the other hand, Japan's economic indicator positioned the country's activities at the lowest point on the economic cycle.

Desynchronisation within the world economy is not the only problem which influenced the market-place. Delocalisation and mega-competition have created structural changes and challenges to the western industrialised nations. Now that national and regional barriers, restricting financial flows no longer exist, and neither technology nor management techniques observe any boundaries, the key privileges of economic success are increasingly transferable from one country to another. Accordingly, severe tension is created by the additional number of different countries entering the multilateral trade system. Western Europe, and to a lesser extent the United States, are facing what may be called a "jobless recovery" because neither present nor projected growth rates are enough for creating jobs on a large scale. Unemployment will remain a critical issue in the industrialised world for some time to come. Unfortunately, instantaneous political or economic solutions are not available to solve this problem. For western industrialised countries, the competition

from East Asia means, above all, that the vaunted western social model is now under assault, and the very essence of social welfare is being called into question.

Starting in the second quarter of 1994, interest rates on the U.S. dollar and the British pound both hedged up following restrictive measures adopted in both countries to fight inflation in its infancy. The interest rate on the Deutsche mark, however, continued its downward trend as a result of the efforts of the German authorities to stimulate the economy. Interest rates on the Japanese yen did not differ much from their low level prevailing since the end of 1993.

In the foreign exchange market, the U.S. dollar was subjected to heavy attack during most of the year. Due to the rise of inflation indicators and the reluctance of the Federal Reserve authorities to face this problem, the U.S. dollar was sold extensively. Most currencies, in particular the Japanese yen, appreciated significantly. Both the United States trading balance and its continuing budget deficit also weighed heavily on the U.S. dollar.

The economy of the Arab world was subjected to much anxiety and many uncertainties during the year. Political uncertainty in relation to the Gulf situation, as well as the impact of the continuous efforts to settle the Arab-Israeli conflict, prevented any constructive movement towards long-term investments or short-term trade activities. Oil prices stabilised at their relatively low levels, and continue to remain sensitive to the possibility of Iraq re-entering the market. It is anticipated that world demand for crude oil will continue to grow along with growth of the global economy. The increased demand is expected to absorb the increased supply without further depressing the price.

FINANCIAL REVIEW

Foreword

The functional and reporting currency of the Group is the U.S. dollar. Arab Bank Plc. and Arab Bank (Switzerland) Ltd. comprise close to 90% of the total assets of the Group. The reporting currencies of these two entities are the Jordanian dinar and the Swiss franc respectively. At the end of 1994, one U.S. dollar equalled JD 0.701 and Sfr. 1.3130 compared to JD 0.704 and Sfr. 1.4640 at the end of 1993.

Result of operations

Net interest, commission and other revenue showed satisfactory improvements. Income from foreign exchange increased by 27.7%. Expenses and provisions were in line with the budget and expectations. Net income after tax grew at the rate of 31.7% and reached US\$ 141.2 million compared to US\$ 107.2 million in 1993. This strong performance is attributable to the growing earning power of the Group. It also reflects the favourable tax conditions extended to the Group in Saudi Arabia.

Total revenue

Total revenue reached US\$ 475.4 million compared with US\$ 414.1 million at the end of 1993. All revenue elements contributed positively to the revenue growth. A

comparative analysis of the changes in the revenue components is depicted below:

Revenue	In US\$ millions		
	1994	1993	Variance %
Net interest	275.8	240.4	35.4 14.7
Commission	84.6	79.1	5.5 6.9
Foreign exchange trading	31.2	24.5	6.7 27.7
Other revenue	83.8	70.1	13.7 19.5
Total	475.4	414.1	61.3 14.8

Net interest

Both interest revenue and interest expense increased in 1994. The comparative figures composing the net interest are presented below:

Interest	In US\$ millions		
	1994	1993	Variance %
Interest revenue	826.6	690.9	135.7 19.6
Interest expense	550.8	450.5	100.3 22.3
Net interest	275.8	240.4	35.4 14.7

The US\$ 35.4 million and 14.7% growth in net interest reflect the continuing strength in the earning power of the Group.

Commission

Commission income grew by 6.9% in 1994 to reach US\$ 84.6 million compared to US\$ 79.1 million in 1993. The growth signifies an improvement in the Group's ability to generate income from financial services. It also reflects the Group's efforts to offer the customers new products which meet their needs and wants.

Foreign exchange trading

Revenue from foreign exchange trading improved to US\$ 31.2 million compared to US\$ 24.5 million in 1993. Almost all entities of the Group were able to perform successfully in the foreign exchange market during 1994. Furthermore, the customers' activities contributed positively to the good results in this area. However, it is important to note that foreign exchange trading positions are liquidated on a daily basis in the Group's operating units.

Other revenue

Other revenue increased by US\$ 13.7 million (19.5%) to reach US\$ 83.8 million compared to US\$ 70.1 million for 1993. This increase reflects several items which may not recur in the future.

Operating expenses

In 1994, operating expenses reached US\$ 275.8 million in comparison to US\$ 248.8 million in 1993. The following table contains an analysis of the main elements of expenses:

Expenses	In US\$ millions		
	1994	1993	Variance %
Staff expenses	118.5	101.9	16.6 16.3
Depreciation	11.3	9.9	1.4 13.3
Other expenses and provisions	146.0	137.0	9.0 6.6
Total	275.8	248.8	27.0 10.8

The weight structure of the operating expenses is depicted below:

	1994	1993
Expenses	%	%
Staff expenses	43.0	41.0
Depreciation	4.1	4.0
Other expenses and provisions	52.9	55.0
Total	100.0	100.0

Staff expenses increased to US\$ 118.5 million from US\$ 101.9 million in the previous year. Foreign exchange fluctuations augmented slightly the increase in staff expenses, which was in line with normal annual increase, expansion and cost-of-living adjustments.

Depreciation for the year rose to US\$ 11.3 million, representing an increase of 13.3% compared to US\$ 9.9 million in the previous year. The increase in depreciation corresponds to the increase in the Group operating units and continuous upgrading of its equipment, especially the computer and software systems.

In 1994, provisions and other expenses increased by US\$ 9.0 million over the figure of US\$ 13.7 million in the previous year. A significant part of this component represents an additional enhancement of the provisions. The Group continues to maintain strong provisions to meet any business related or contingent risk.

Financial position

The Arab Bank Group balance sheet total surpassed US\$20 billion for the first time. This increase in the balance sheet total, coupled with the significant increase in income, may place Arab Bank Group within a more powerful cluster of leading international financial institutions.

The following presents an analytical review of the main components of the Group's financial position:

Assets

Total assets grew to US\$ 14,486.1 million from US\$ 14,413.8 million, representing a 0.5% increase. Off-balance sheet items, composed of customers' contingent liabilities grew by US\$ 2,264.6 million and 60.9%. A significant part of this increase was the result of reclassification. The increase in both on-balance sheet and off-balance sheet assets augmented the total footing of the Group to US\$ 20,470.7 million.

Liquidity

The maintenance of high liquidity ratios is a major element of the Group's prudent policies. The pre-planned objectives of 1994 to increase the productive assets were achieved. These achievements did not lower significantly the high liquidity ratios of the Group. The stability of customers' deposits combined with the efforts of the Group to enhance its productive assets altered slightly the structure of the balance sheet. Consequently, cash in hand and at banks declined by US\$ 943.7 million to reach US\$ 6,921.9 million. Added to marketable securities, cash in hand and at banks reached 59.3% of the total assets. This liquidity ratio remains stronger than most norms prevailing in the banking industry.

Loan portfolio

The Group's loan portfolio net of the doubtful debt

BOARD OF DIRECTORS' 65th ANNUAL REPORT

allowance grew to US\$ 5,108.5 million, representing an increase of 18.4% over the level of US\$ 4,313.9 million in 1993. The Group was able to improve its holdings in loans and advances significantly, reflecting a continued expansion in the marketing of traditional and new products.

Securities and investments

The security portfolio, which consists mainly of prime government bonds and promissory notes, rose by US\$ 129.4 million, or 8.4% in 1994. The balance of securities and investments at the end of the year was US\$ 1,661.2 million compared to US\$ 1,531.8 million at the end of 1993.

Shareholder's equity

Arab Bank Group's shareholders' equity reached US\$ 1,180.5 million, representing an improvement of US\$ 119.5 million and 11.3% over the 1993 figures. It amounted to 8.1% of total assets compared to 7.4% in 1993.

The capital adequacy ratio for the Group, measured according to the Basle Committee rules was 13.65%. Moreover, shareholders' equity at the end of 1994 was 23.1% of the loan portfolio, a slight decline from the 24.6% ratio recorded at the end of 1993.

Deposits

The total balance of deposits and other accounts remained around its previous year's level, recording US\$ 13,037.5 million. Customer deposits were negatively impacted by the continuous shift in customers' investment strategies away from the money market into high yielding financial instruments and securities.

Funds placed with the Group from other financial institutions were limited to needs dictated by the correspondent banking activities.

PERFORMANCE OF THE GROUP'S ENTITIES

The following paragraphs contain a brief description of the major activities of the financial institutions which compose Arab Bank Group. The entities of the Group include Arab Bank Plc, Arab Bank (Switzerland) Ltd., a sister company wholly owned by the shareholders of Arab Bank Plc, and the following wholly and majority owned subsidiaries:

- * Arab Bank AG, Frankfurt, wholly owned subsidiary.
- * Arab Bank Australia Ltd., wholly owned subsidiary.
- * Arab Bank (Austria) AG, wholly owned subsidiary.
- * Arab Tunisian Bank, 64.24% owned.

ARAB BANK PLC

Arab Bank Plc was established in Palestine in 1930. It was registered in Jordan in 1949 as a public shareholding company. Currently, it has approximately 3,000 shareholders. In 1994 the Bank achieved very good results. Net income, deposits, loan portfolio and total assets grew at a remarkable rate. The year also witnessed the return of the Bank to Palestine after an absence of 27 years.

Financial position

A good rate of growth was achieved in all components of the financial statements, however, the structure of the Bank's accounts was marginally changed to give more weight to loans and advances. The comparative composition of the Bank's assets is indicated below:

	In JD millions		
Assets	1994	1993	Variance
Cash and marketable securities	4,887.1	4,681.3	205.8
Loans and advances	3,131.6	2,668.6	463.0
All other assets	277.5	220.5	57.0
Total assets	8,296.2	7,570.4	725.8

It can be observed that the liquidity ratio of the Bank slightly declined to 58.9% compared to 61.8% at the end of 1993. This change was the normal result of the efforts of the Bank to enhance quality productive assets.

Total deposits reached JD 7,625.8 million compared to JD 6,994.1 million in the previous year. A significant part of the JD 631.7 million, or 9.0% increase was achieved by the growth in customer deposits and reflects the solid confidence of the customers in the Bank.

Shareholders' equity was augmented to JD 487.0 million accounting for 5.9% of the total assets compared to JD 432.0 million and 5.7% in 1993. Arab Bank Plc accumulates shareholders' equity by retaining income instead of issuing new share capital.

Results of operations

Arab Bank Plc again rendered another successful performance. For the year which ended on 31 December 1994, net income after tax reached JD 70.5 million compared to JD 59.5 million in 1993. The significant increase of JD 11.0 million and 18.5% was the result of the growth in all revenue components. Total revenue increased by JD 34.2 million and 15.5% to reach JD 255.1 million. The substantial growth in revenue reflects a real improvement in the earning power of the Bank.

Other achievements

The return of the Bank to the West Bank and Gaza Strip highlighted its major expansion during 1994. Three branches of Arab Bank Plc reopened their doors in Palestine in Nablus, Ramallah and Gaza, and a new branch in Jericho started operating early in 1995. An additional three branches were opened in Jordan. The 10th of Ramadan branch was opened in Egypt early in 1995. The Bank's expansion in Europe continued in 1994; it opened a branch in Marbella, Spain, and a cash office in Paphos, Cyprus.

ARAB BANK (SWITZERLAND) LTD.

Arab Bank (Switzerland) Ltd. was constituted as an independent Swiss company in 1962. Its head office is located in Zurich with a branch in Geneva. The Bank's shareholders are identical to those of Arab Bank Plc. The Bank offers comprehensive services in all major banking areas and combines Swiss tradition in private banking with a global perspective. Switzerland's stability and confidentiality as well as the efficient and personal service provided by Arab Bank (Switzerland) Ltd. are the key factors of its continuous success.

Performance in 1994

Total assets (on 31 December 1994) declined to Sfr. 1,463 million from Sfr. 1,648 million (on 31 December 1993) as a result of the smaller volume of the inter-bank business and the lower value of the U.S. dollar exchange rate against the Swiss franc. The weak U.S. dollar had also a negative impact on the volume of the fiduciary deposits which reached Sfr. 3,639 million at the end of 1994.

Net income for the year increased to Sfr. 17.1 million from Sfr. 16.5 million in 1993. Net interest earned (including income from securities) improved slightly in 1994. The Bank's strategy of investing its own funds into securities with long maturity during the high interest rate periods of the past years contributed to this positive result. Income from trade in foreign exchange and precious metals approached the high level of the preceding year.

The main activities of the Bank have been consistent with its conservative and restrictive policies.

ARAB BANK AUSTRALIA LTD.

Arab Bank Australia Ltd. is a wholly owned subsidiary of Arab Bank Group. Arab Bank's presence in Australia dates back to 1986 when it commenced a merchant banking operation under the name of Arab Australia Ltd.

Arab Bank recently became the first foreign bank in Australia since 1986 to obtain an unrestricted banking licence. This followed changes in regulations allowing foreign banks to apply for a full bank status.

The transformation of the Bank required additional capital in 1994. Accordingly, the equity of Arab Bank Australia reached AUD 51.7 million compared to AUD 21.5 million at the end of 1993. During the year, the Bank experienced significant growth. Total assets increased by 50% to AUD 193.0 million. Deposits and other accounts increased to AUD 135.8 million.

Through a network of four branches, Arab Bank

Australia offers a wide range of banking services. The Bank's strategy includes special emphasis on the Arabic speaking community in Australia.

The retail banking activities of the Bank will be vastly enhanced when it participates shortly in a nationwide electronic network which includes 2000 ATM machines and 38,000 electronic point-of-sale terminals. Arab Bank Australia will also shortly become a member of the Australian clearing system.

ARAB BANK (AUSTRIA) AG

Arab Bank (Austria) AG was established in February 1987 in Vienna. It started its operations in May of the same year. Arab Bank (Austria) AG is an independent Austrian Bank with an unrestricted licence to perform all banking activities. It provides a wide range of services to individuals, corporate and institutional clients, government agencies and other international financial institutions.

1994 was a good year for the Bank. Net profit available for distribution grew to ATS 2.1 million, representing a substantial growth over the 1993 figures. Total assets declined to ATS 1,981.2 million from ATS 2,372.6 million in the previous year. The marginal decline in total assets was the result of normal inter-bank transactions.

Arab Bank (Austria) AG continues to be the gateway of Arab Bank Group to the Eastern European countries. It provides the Group's entities and their customers with investment and trade advice on the changing economic environments in those countries.

ARAB BANK AG

Arab Bank AG in Frankfurt, a wholly owned subsidiary of Arab Bank Group, was incorporated in December 1992. The Bank started operations in April 1993 with a full commercial banking licence and the ability to provide branch banking within the European Union. Accordingly, it is expected that Arab Bank AG will play a significant role in promoting Arab European trade and economic

cooperation. The Bank provides its customers with a full range of banking services, including investments and treasury products.

1994 was the first full year of the Bank's operations. It has achieved very good results and growth in almost all aspects of operations, especially in assets, loan portfolio and trade business. Total assets grew to DEM 420.9 million from DEM 150.0 million, representing an increase of DEM 270.9 million. Total balance sheet including contra accounts reached DEM 554.8 million, representing an increase of DEM 367.7 million. During the last quarter of 1994, Arab Bank AG total revenue exceeded total expenses. For the full year, the Bank net loss was DEM 1.2 million, an improvement compared to the DEM 1.7 million loss for the nine months of operations in 1993.

ARAB TUNISIAN BANK

Arab Tunisian Bank was incorporated in 1982. It provides its customers with a wide range of commercial and private banking activities. Arab Tunisian Bank has a material market share of the banking business in Tunisia. The Bank has 26 branches located in all major cities and business centres in addition to its head office, which is situated in Tunis.

In 1994, total assets increased by 13.2% from TND 666.0 million in the previous year to reach TND 754.0 million. Income after tax grew by TND 0.6 million from TND 5.1 million to TND 5.7 million. The Bank continued its efforts to enhance its productive assets. Loan portfolio at the end of 1994 reached TND 342.0 million compared to TND 293.9 million at the end of 1993. The TND 48.1 million growth represented 16.4%.

The Board of Directors would like to close this Report by expressing its thanks and gratitude to the Group's customers for their continued trust and support; to the shareholders for their confidence; and to the staff for their loyalty and dedication.

THE BOARD OF DIRECTORS

ARAB BANK PLC GENERAL ASSEMBLY AGENDA

The following are the items on the agenda of the General Assembly to be held on March 31st, 1995:

1. Presentation and adoption of the Minutes of the previous 64th meeting of the General Assembly.
2. Presentation of the report of the Board of Directors for the year 1994 and outlook for 1995.
3. Presentation of the Auditors' Report on the financial statements of the Bank for the financial year 1994.
4. Presentation and approval of the financial statements of the Bank for the year 1994 and adoption of the recommendation of the Board of Directors to distribute a dividend for the year 1994 at the rate of J.D. 3.5 per share, being 35% of the nominal value of J.D. 10 per share.
5. Approval of the membership of Mr. Naser Alrashid on the Board of Directors, as of 18 January 1995, according to the context of Article 178 (a) of the Jordan Company Law No. 1 of 1989.
6. Release of the members of the Board of Directors from liability for the year 1994.
7. Election of the Bank's Auditors for the year 1995 and determination of their remuneration.
8. Other issues.



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Abdali, Amman P.O. Box 926607 Tel. 627271-3, 614504 Fax. 649305 Tlx. 23416	Hiteen Camp Office (Schinner) P.O. Box 15450 King Hussein Street Tel. 88533, 896280 Fax. 896280	Hakama Office P.O. Box 16, Irbid Tel. 278140/1 Fax. 278142	Ramtha Office P.O. Box 16, Irbid Nasser Al-Tallaq St. Tel. (02) 28761/3 Fax. (02) 28763	Commercial Branches Management P.O. Box 395 Government St. Tel. 255988 Fax. 210443 Tlx. 8232, 8264, 8407	GREECE Athens P.O. Box 30357 10 Stadiou St., GR 10033 Athens Tel. 3255401/10, 3255515 Fax. 3255519 Tlx. 219922, 219538, 219593 221584 (Dealing Room)	SPAIN Madrid Paseo de la Castellana, No. 31-5 28046 Madrid Tel. 3084290 Fax. 3086484 (Operations Dept.) Tlx. 44004	Taiz P.O. Box 5234 Jamal Abdul Nasser St. Tel. 231523/5 Fax. 212347 Tlx. 8911, 8977
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Al Nuzha Office, Amman P.O. Box 8348 Jahal Hussein Nuzha St. Tel. 687945/6 Fax. 687947	Wahdat, Amman P.O. Box 16067 & 620945 Souk Alkhodar Almarkazi St. Tel. 77122/3, 782123 Fax. 44572 Tlx. 21824	Deir Alla P.O. Box 138 Tel. 573137/8 Fax. 573184	EGYPT Egypt Area Management P.O. Box 68, El-Mohandesien 50 Gezira El Arab St. El-Mohandesien - Cairo Tel. 3029069, 3029070/1, 3029066 (Dealing Room) Fax. 3029068 Tlx. 217945/	Saida P. O. Box 199 Riad Solh Street Tel. 725923, 724501, 722072 Fax. 741842 Tlx. 47161	UNITED KINGDOM CITY BRANCH, LONDON P.O. Box 138 15 Mongane London EC2R 6LP Tel. 3158500, 3158600 (Dealing Room) Fax. 6007620, 6008620 (Visa Centre) Tlx. 887110, 887119, 884429 and 884359 (Dealing Room)	ARAB BANK AG (AUSTRIA) AG VIENNA P.O. Box 100 Sellerstrasse 11 A - 1015 Vienna Tel. 5134240, 5134905 (Dealing Room) Fax. 51342409 Tlx. 135313, 133762 (Dealing Room)	ARAB NATIONAL BANK



Ghandour: Recent attitude of the EU towards Third World is a source of dismay

'Future of civil air transport in developing countries is threatened'

Following is the text of a speech given by Ali Ghandour, His Majesty King Hussein's advisor on Civil Aviation and Tourism, at "European Air Transport Within the Single Market International Conference" which was organised by Aeronautica Communications Limited in association with Commission of the European Communities in Brussels on March 28, 29.

Mr. chairman, ladies and gentlemen,

I VERY much appreciate Aeronautica's invitation to me to speak at this important conference, the more so because, notwithstanding the fact that the conference weighs heavily in favour of a European agenda as its title rightly and understandably implies, I am being provided with the opportunity to air Third World countries' fears and concerns as well as to express their hopes and aspirations. I approach the subject with mixed feelings. We are filled with respect and admiration for the development and progress that the European Union (EU) has painstakingly achieved. We marvel how the European Union, through block-building, bottom-up rather than top-down, has attained a position of pre-eminence in world affairs. I believe at the heart of the European Union's success lies the Treaty of Rome, ever-relevant and shining.

Yet the recent attitude of the European Union towards the Third World has caused dismay. The European Union's abrupt cancellation last month of a meeting with the 70 ACP nations of Africa, the Caribbean and the Pacific after negotiations to determine an aid package collapsed is a case in point. It has been reported that the move underscored Europe's lessening interest in its poor former colonies while faced with more immediate security needs and economic opportunities in Europe and the Mediterranean region. On the other hand, Britain's lukewarm support for the World Summit for Social Development in Copenhagen earlier last month highlights an unsavoury situation. We are told that poverty at home competes for available resources as if the causes of poverty in Western societies and in Third World countries trace their origins to an identical source. Across the Atlantic dismal signals have come through. The newly Republican-dominated U.S. Congress is intent on slashing aid to poorer countries in pursuit of balancing the federal budget. Alas, the signs are on the wall, and developing nations have to fend for themselves. But with diminished aid from donor countries the road to sustainable development and growth will be slow, painful and perhaps questionable. These are ominous signs and ominous times and the future of civil air transport in developing countries is threatened.

While the situation is fairly desperate, it is not beyond redemption. Let there be a clarion call: Trade, not aid. If countries, the haves and have-nots alike, live up to their responsibilities and create amongst themselves the conditions necessary for the free exchange of goods and services we can look forward to attaining a greater measure of harmony and stability in international affairs.

It is therefore not without

significance, and for that matter a positive sign, that the widespread adoption of a philosophy of "economic disengagement" by governments in many parts of the world constitutes a factor leading to the liberalisation of aviation policies. It is rightly claimed that this policy of reduced governmental involvement in the commercial affairs of businesses became widely accepted in the 80's and continues to have a powerful influence on policies in the 90's.

In Britain "Thatcherism" is deeply rooted in economic life not only for ideological reasons but for pragmatic considerations as well, and the move a few weeks ago by Her Majesty's Opposition, the Labour Party, to off-load the baggage of socialising the means of production and distribution as party policy vindicates the approach to free enterprise, based essentially on such important factors as motivation, risk and reward.

Needless to say, privatisation is a logical extension of liberalisation. Hence, another aspect of "economic disengagement" is the worldwide movement away from state ownership of airlines. For reasons that I need not detail, privatisation has become the wave of the present and future. At this juncture, I wish to remind ourselves that while U.S. deregulation in 1978 is credited rightly with having provided a catalytic effect towards changing the world aviation scene, the Treaty of Rome 21 years earlier embodied principles that could have had far-reaching effects. But members of the European Community have chosen to overlook or ignore its provisions. The treaty provides for a "right of establishment" which entitles an enterprise of any member state to operate with equal rights in any other member state. The "Third Package" of liberalisation measures that came into effect on Jan. 1, 1993 and set the Community on the way towards the total deregulation of air services, though belated, is in keeping with the competitive spirit of the Treaty of Rome without which the European Union, economically speaking, becomes a spineless organisation.

At present the world is subject to a deregulatory environment in international civil air transportation to varying extent and with varying measures of application and success. A regulatory regime is not any more a tall order beyond reach but a living reality with a forward thrust. Yet inertia steps in and retardative forces make their presence felt. Hence, is the creation of task forces to address the issues at hand. Of immediate significance are Herman de Croo report, "Expanding Horizons," the U.S. Commission to Ensure a Strong Competitive Airline Industry" and "ICAO's Worldwide Air Transport Conference on International Air Transport Regulation: Past and Future," held in Montreal last year. They all point in the same direction:

the liberalisation of air transport. De Croo report, as might have been expected, weighs heavily in treating intra-European issues. It states, among other things, that a common external aviation policy is required. In this particular realm which is of direct interest to the rest of the world community, is not altogether certain that a common external policy will emerge ahead of the European Union becoming a supranational body, if it ever does. Tensions in this regard exist within the union. The European Commission and the European Parliament pull in one direction and some major members pull in another, the latter not wanting to relegate to the Commission the function of an bloc negotiations with third parties. The European Court of Justice has yet to deliberate.

The U.S., on the other hand, seems to be quite comfortable with the present arrangements and to gain too. For one thing, the U.S. negotiates with nine European countries en bloc, "open skies" being the ultimate American objective. For another, the attempt to renegotiate Bermuda II agreement with Britain could set the tone for future negotiations with the European Union en bloc. The rest of the world anxiously awaits the outcome. Third World countries are somewhat apprehensive. To many, the standard bilateral, though protectionist and therefore restrictive, palpably provides a false sense of security.

ICAO's International Civil Air Transport Conference, which was held in Montreal during November-December last year, marked the 50th anniversary of the Chicago Convention and in its own right became a landmark in the annals of international aviation. It fell short of a Chicago II. In any case, no such role was either foreseen or intended. It did, however, point the way to coming to terms realistically with the present world and to chart avenues for future voluntary action.

As members of the ICAO Study Group of Experts on Future Regulatory Arrangements for International Air Transport (GEFRA), we laboured for almost two years ahead of the final conference. The issues that were discussed were standard issues that crop up in the domain of aviation. But neither the treatment nor the solutions proposed for consideration were standard. The message was loud and clear that liberalisation was long overdue. Third World countries were apprehensive, even suspicious, as invariably they are of Western initiatives. Fear and distrust are dangerous and difficult to dispel. Confidence-building is a long-drawn process. And as Senator de Croo has in a different context pointed out in his report, "mentality changes are lagging behind technological, economic and regulatory changes." I tried, together with my colleagues, very hard to explain away these ill-founded fears through the provision of safety nets and safeguards, but without perceptible success. It is only a matter of time when it will become visible that economic imperatives will overshadow political considerations and force impact future course of action.

We negotiated bilateral agreements with several countries. All of them were restrictive, although the airline was no threat to anybody and Jordan enjoyed a favourable balance of trade with its counterparts.

The Europeans were most restrictive in regard to capacity, frequency, pricing

and scheduling. If I were to compare erstwhile Europeans with latter day liberalised Europeans as exemplified in de Croo report, I would probably laugh. For example, Royal Jordanian had to put up with capacity on a Boeing 707 aircraft with that of a Caravelle — so much wastage to fly with 50 empty seats institutionally imposed. Intermediate points were imposed on flight schedules not to permit passengers to transit. What state aid was received was to counter these ill-effects. These restrictions impeded the growth of the airline and negatively impacted the development and growth of tourism. So this is precisely what the bilateral did to us. Now the airline flies internationally, the growth of the international market being sustained by sixth freedom traffic which keeps Royal Jordanian, along with other carriers similarly placed, afloat and flying internationally.

RJ's international passenger markets have been almost static in the last decade (traffic on its North American, European and Far Eastern routes only). In the 10 years between 1984-94 this traffic increased from 573,375 to only 609,084 or an average growth of 0.6 per cent per annum. It is important to note that in this decade three significant events took place which affected the performance. In 1989 there was major reduction in the North American operation whereby flights to three of the four U.S. destinations were suspended due to low load factors and losses mainly caused by loss of Holy Land traffic due to the Intifada, the Palestinian uprising. In 1990-91 the Gulf war caused further havoc and traffic declined substantially but did bounce back in 1992 and continued its growth in 1993 but again there was a large drop in 1994 due to competition returning to Jordan after having abandoned their operations due to the Gulf War. Because of the war, Royal Jordanian operated to its true potential by flying the Far Eastern routes with freedom traffic.

Tourism from EU states assumed increased importance after the partial loss of Holy Land traffic. This traffic not only showed resilience but also a higher increase than expected. For example, in 1992 total traffic not only returned to the pre-Gulf War level (1989) but also recorded another 10 per cent increase. In 1993, the increase was very modest but 1994 showed a drop of 11 per cent due to the aforesaid competition; however the tourist portion of the European routes showed an increase of 17 per cent in 1994. Major European countries, producing tourism for Jordan are U.K., France, Italy and Germany, particularly vacation travel to Aqaba. Recently Austria, the Netherlands, and Spain are sending more tourists to Jordan.

RJ has not experienced any noticeable effect on competition as a result of the single EU market. Most European countries are still protectionist, particularly the U.K., France, Germany and Italy. Recently, there was flexibility from Belgium, where a third weekly service was obtained, but which actually is not needed due to low level of traffic to Jordan from this market. Also

enhancing democracy, political pluralism and ensuring respect for human rights.

He landed the King's efforts to establish peace in the region and improve living conditions of people in the region.

Mr. Gilman reiterated the U.S. Congress' commitment to write off Jordan's debt to the U.S.

The meeting was attended by Sharif Zeid, Mr. Qasem, Prince Talal and his wife, the ministers of foreign affairs, finance, industry and trade and planning and Jordan's ambassador to Washington and Israel.

The chairman of the committee, Benjamin Gilman, voiced appreciation and admiration of Jordan's policy and pioneering role in en-



Ali Ghandour

there was some flexibility from Spain, which allowed operations to Barcelona as well.

The significant development which has taken place is more competition for RJ since RJ was operating either unilaterally or more services to Europe than the respective European carrier's operation to Jordan. Now one by one the European carriers want to have their due share of the pie and are resuming operations in full form, e.g. KLM's daily service to Amsterdam, British Airways' 4-weekly frequencies from April 1995 and others like Air France, Alitalia, Olympic and hopefully Lufthansa as well.

The solution lies in expanding the tourist market to Jordan for which much cannot be done without substantial development of the tourism infrastructure to Jordan. So far the existing market is being shared by the newly resumed competition, which, in turn, has affected RJ's traffic very adversely.

The slot allocation at EU airports still constitutes a major difficulty for RJ. Most notorious are Heathrow and Frankfurt airports, which offer no flexibility at all. To implement RJ's new route structuring proposal this would be a major impediment which needs to be handled at a very high level, including political, or RJ would have to resort to buy the slots from others or as a last resort adopt retaliatory methods. If it can.

Development of tourism from the EU states to Jordan is most important as Europe, comparative to other regions, is nearer to Jordan and its economic prosperity has enough capacity to buy new tourism as well as repeat tourism. On the other hand, Jordan has a unique tourism to offer, which now can be conveniently coupled with the Holy Land pilgrimage and tourism to neighbouring countries like Egypt and to some extent Syria, or even combined with the Gulf states' offer of seaside holidays.

However, for this effort to be successful first, as stated earlier on, the tourism infra-structure has to be strengthened in Jordan as early as possible in order to take advantage of the opportunities that the peace dividend promises, and, secondly, through coordinated policy by the neighbouring countries to evolve a comprehensive policy that enjoys all the elements and

environment, which I undergone a sea-change rather than experience a dualism, the future of medium-size independent carrier is not assured. Events seem to unravel quickening pace — acquisitions, mergers, alliances, whether tacit or strategic, mark the future course of change. In this respect, Asia stands out: Non-core alliance or stand alone themselves. Asia Business stated, "the clearest sign of this attitude is the growing willingness of Asian carriers to form special purpose ventures. Cooperation non-core activities can produce the scale economies: an alliance without increasing the risks of equity changes." In my view, Asian example could trend-setting. Codestream, so-called glorified chartering, is rapidly becoming an important feature of airline operation. Developments in Latin America point in the same direction: Africa and the Middle East lag behind.

It is encouraging to note that there are serious efforts under way in developing countries to study the best balance between the interests of flag carrier and the momentum development of tourism. Tourism has come of age. For example, in international field, the importance attached to development of tourism led the South African government to declare that future negotiations of lateral agreements will provide for multi-designation of airlines, the elimination of capacity restrictions and abolition of tariff controls. Investment in tourism, claimed, produces a high and faster increase in employment than equal investments in other activities.

The national airline is more an end in itself. Synergies, etc., are worn-out clichés that are hot today. And therefore airline operation is viewed as part of one whole, simply an activity to maintain at all costs. The countries that wish to continue protectionist stance do so, but they have to live up with the consequences of the action so taken. Confidence and reciprocity are deeply enshrined in the Chicago Convention. A protectionist country like Brazil cannot afford to do so. Others can't. In developing countries, if the national airline for any reason demands the economy it could adversely affect World Bank assistance and ILTs loans to the host country. The economies of airline operation will not escape scrutiny in an economic readjustment plan.

On a final note I am optimistic about the future. The rest of the world aspires to "expanding horizons," as Senator de Croo said. The various developments that we have discussed such as liberalisation, privatisation, and transnational mergers are necessary and relevant ingredients to a forward-thinking. The creation of truly multinational airlines operates on a worldwide basis not far-fetched. International civil air transport has always been the model of international cooperation and it will remain so. Despite diversity, the nature of the world should increasingly become part in progress. After all, future is our common cause.

King meets Jordanians

(Continued from page 1)

Fayez and senior Jordanian officials.

On the American side the meeting was attended by senior Pentagon officials.

Also Thursday King Hussein and Queen Noor met with the chairman and members of the Inter-American Relations Committee of the House of Representatives and exchanged views with them on regional and international issues, including the Middle East peace process.

The meeting was attended on the Jordanian side by Prince Ali, Sharif Zeid, Mr. Qasem, King Hussein's Military Secretary Prince Talal Ben Mohammad, Ambassador Tarawneh, Maj. Gen.

sed that Jordan, through signing the peace treaty with Israel, has been able to restore its water and territorial rights. He noted that the Middle East is at the threshold of a new era requiring the consolidation of peace, ensuring comprehensive peace leading to an improvement in the people's life and enhancing opportunities of establishing a just, comprehensive and durable peace in the region.

The King explained the enormous burdens Jordan has borne over the ages to maintain regional security and stability. The King stressed

enhancing democracy, political pluralism and ensuring respect for human rights.

He landed the King's efforts to establish peace in the region and improve living conditions of people in the region.

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Katyusha attacks kill Israeli

(Continued from page 1)

eds were fired at northern Israel from areas controlled by Hezbollah.

A spokesman for the group in Beirut said: "In retaliation for arbitrary measures taken against our people and in line with our pledge to defend them against criminal actions, the Islamic Resistance (Hezbollah's armed wing) bombarded the towns of Safed, Nahariya and Qiryat Shmona."

The last Katyusha attack on northern Israel was in October.

Lebanese security officials said about 30 Katyusha rock-

Court orders review of testimo

(Continued from page 18)

convicts in the case was a minor at the time when the crime in question took place and therefore he should be tried under laws related to juveniles.

The case stemmed from a series of explosions and unauthorised bombings of public places, including cinema theatres and liquor stores, and plots against Jordanian and Palestinian peace negotiators.

The State Security Court verdict was related only to subversion charges. It rejected a charge that the accused belonged to an illegal organisation saying there was no evidence to the existence of such a group.

Economy

Japan eases credit to bolster shaky recovery

OKYO (Agencies) — Japan's central bank eased credit Friday to bolster a shaky economic recovery, cutting market interest rates sharply lower, but it disappointed financial markets leaving its key discount rate unchanged.

A day after Germany's indebank cut rates, the Bank of Japan (BOJ) said it was providing more funds to a money market, bringing short-term interest rates to record lows.

"Japan's economy remains a recovery track, but the end of the recovery has not yet come," Yutaka Yamaguchi, director of the BOJ's Policy Planning Department, told a news conference.

"Uncertainty about the economy seems to have been stronger in stock and bond markets recently because of factors such as the U.S. appreciation," he said.

In response to the BOJ's icy, Japan's overnight interest rate between banks dropped from 2.25 per cent to record low of 1.75 per cent, halving the discount rate, which was already at an historic low.

But the policy disappointed other markets, which had speculated that today's discount rate cut Germany would prompt an equally strong reaction. Central banks use discount rate to lend to commercial banks.

The BOJ has been under heavy pressure from businessmen and some government ministers to cut its discount rate, partly to curb the recent appreciation of the yen to record highs against the U.S. dollar, which has hurt Japanese exporters.

Japanese markets had also hoped for an official rate cut to sustain the economy's recovery from its worst slump since World War II and to ease the pain of financial institutions struggling under mountains of bad debt.

Because of the delay, the eventual cut might have to be bigger than the half percentage point that markets had expected, some economists said.

The BOJ's Yamaguchi said Friday's new policy was not a preparatory step for a discount rate cut.

But many economists said a discount rate cut was still likely in the next month or two, after the central bank saw economic data that confirmed the economy was faltering — or if stocks plunged and the yen surged again.

"They start by guiding short-term rates lower and explicitly point out there are risks to economic recovery, so basically we are now in a period of accommodative waiting," said Jesper Koll.

chief economist at J.P. Morgan in Tokyo.

"The final decision to move on the discount rate is left in the hands of economic indicators as they unfold over the next couple of months," he said.

Analysts also said public pressure from the finance ministry for an early cut may have backfired. "The BOJ doesn't like to admit it is following finance ministry pressure," said Susumu Kato, chief economist at C.S. First Boston (Japan) Ltd.

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Others expressed frustration with the BOJ's failure to be more proactive. "We need strong leadership from both the BOJ and finance ministry," said Bank of Tokyo economic advisor Keiichi Honda. "It might be too late and too little."

Meanwhile, Japan Friday announced a sweeping five-year programme to deregulate its economy aimed at opening domestic markets to foreign competition and narrowing price gaps with other countries.

But the move came as a disappointment to some of Japan's major trading partners, and particularly the United States, which had sought a greater opening of the market.

"It's not adequate, but it is still progress from the interim

deregulation package covering 1,091 items in 11 areas such as distribution, housing and land use, transportation, information and telecommunications, will go into effect at the start of fiscal 1995 Saturday.

"Each step may be small, but if they are put together, we can expect a certain effect to boost imports, improve foreign access to the Japanese market and correct price differentials between Japan and other countries," he said.

Takeshi Nagano, chairman of the Japan Federation of Employers' Associations, said the package was "just a first step toward easing and abolishing some 10,000 regulations."

"Five years is too long. The government should be prepared to complete the plan in three years," Mr. Nagano said.

For Japan's trade partners, the measures fell far short of expectations.

U.S. Ambassador Walter Mondale said: "We would like to see further progress. So I would have to say we're somewhat disappointed."

There are some things in there that are positive," Mr. Mondale was quoted by the Kyodo news agency as saying. "But we believe in the principle that regulations should be an exception and not the rule ... and we don't think it's there yet."

Analysts said the package cleared only about 70 per cent of deregulation requests

made by the United States and some 60 per cent of those from the European Union.

Particularly disappointing to the United States is that the package excluded any regulatory measures regarding auto parts. "As for areas now under negotiations with foreign governments, we will add new measures as soon as talks are concluded," the package said.

Chief U.S. Trade Representative Mickey Kantor said Thursday that Washington had already dismissed as inadequate a draft of the package, notably its failure to address the problem of the auto market, which accounts for two-thirds of Tokyo's massive \$60 billion trade surplus with the United States.

"Japan has not lived up to its responsibilities in opening their markets in a way that would be productive not only for the United States and global growth but for Japan as well," Mr. Kantor said.

Mr. Kantor said that talks in Tokyo this week on the auto sector, in which the United States put forward new proposals "made no great movement," but added "we did not expect to in the first meetings."

"We are not going to make any threats," said Mr. Kantor. "We are not going to leave the table ... but we are going to insist that these markets are open and that they stay open."

Brokers said investors had taken heart from a public promise made by U.S. Vice-President Al Gore, who was in Amman on March 21, that the Clinton administration was determined to cancel Jordan's official debts of about \$488 million to the U.S. as a reward for the kingdom signing a peace treaty with Israel in October 1994.

JORDAN TIMES, SATURDAY, APRIL 1, 1995

Prices, turnover at AFM reverse a 3-week decline

By a Jordan Times Staff Reporter

AMMAN — Turnover doubled and prices rose at the Amman stock exchange this week after a public pledge by the U.S. to write off Jordan's nearly \$500 million official debts to Washington, and institutions also intervened to shore up prices, dealers said Friday.

They also attributed part of the market recovery to dividend announcements by more than a dozen companies and limited buying by foreign investors who took advantage of low prices.

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Adding to the enthusiasm was the intervention by institutions which sought to raise stock market index above the psychological mark of 140 points, said the brokers, who, under standing market guidelines, cannot be identified by name.

"The 140 point mark in the official index is considered sacred by many investors and institutions," said one broker, noting that since 1992 the main market indicator had not gone down below this point.

"For some foreign firms (which operate in the Jordanian market under special government permission), the

(Continued on page 15)

Organised crime behind massive fraud against EU budget

USSELS (AFP) — Organised crime syndicates played a major role in defrauding the European Union (EU) of \$1.34 billion last year, according to a report from the European Commission's beefed-up anti-fraud unit.

The report revealed that cases of fraud in 1993 cost the European Union \$1.03 billion ECUs (\$1.34 billion) or 1.2 per cent of the budget.

Anti-fraud commissioner

ta Gradin admitted that it just be the tip of the iceberg. "We just don't know how much larger amounts ended in the wrong pockets," Gradin admitted. Independent estimates have put the true figure at between ten and 15 per cent of the budget (1.6 billion to 8 billion on ECUs).

He official sum represented an increase of two-thirds on the level of known fraud in 1993.

An improved detection was partly behind the increased number of cases coming to light, but according to Per Brix Knudsen, the head of the anti-fraud — known by the French acronym UCLAF — increasing activity by mafia-style operators has also played a role.

"There is no doubt that there has been increased interest of organised crime in the potential to commit fraud against the community budget," Mr. Knudsen said.

Agricultural spending, on which half the EU's annual budget is spent, accounted for just under half the total (484 million ECUs), largely in the form of fraudulent claims for subsidies paid out under the Common Agricultural Policy. Typical examples involve farmers claiming subsidies for exports for beef or cereals which they then sell on the domestic market.

But for the first time, fraud against the community's income, rather than its spending, is now a more important factor in the total and it is here that the mafia-style gangs are most active.

Losses from the EU's so-called own resources — money raised through customs duty and levies on agricultural levies on imports — nearly doubled from 1993 to

508 million ECUs.

The biggest cases involved fraudulent imports of highly-taxed goods, including sugar, tobacco and alcohol, under the EU's transit system, which allows duties, VAT and excise payments to be suspended for goods in transit across more than one country.

The link to organised crime is of particular concern on these higher-tax goods," he said.

In one example uncovered last year, powdered milk from eastern Europe and Austria, before it joined the EU this year, was transported to Spain via Belgium with forged documents, costing the EU 45.1 million ECUs in lost revenue.

Fraud is made easier because transit declarations are running at 18 million a year, leaving customs services saturated.

The Commission adopted a series of proposals designed to strengthen the transit system by increasing manpower and concentrating resources on keeping tabs on movement of sensitive goods, as well as accelerating com-

puterisation of transit records.

Despite increased detection by UCLAF, which has a team of some 120 investigators, the rate of recovery of funds remains dismal.

Of frauds discovered across the EU in the first six months of last year, only four per cent of the money has been recovered. There are wide disparities but no member state has managed to recover more than 40 per cent of the money it reported lost through fraud.

While the commission can take initiatives on cross-border fraud, the major responsibility for fighting fraud remains with member states.

Moves towards a convention between the EU states which would lay down a common definition of fraud against the EU budget and recommend uniform sanctions are currently underway.

But these would leave the issue in the hands of national governments. The European Parliament has called for giving the commission major responsibility for fighting fraud.

To traders hoping for central bank intervention, oo

belp was forthcoming and the dollar changed hands at a postwar low of 86.55 yen and markets bid it lower still.

Unable to withstand resistance against the mark, the

Fresh misery strikes desperate dollar

LONDON (R) — Little stood in the way of the dollar Friday as it crashed to yet more record lows against the yen, with markets despairing the United States would mount a rescue and fearful it was too poorly to be cured by rate cuts.

The U.S. currency's tumble — only a day after Germany's interest rate cut resulted in a sharp rally — compounded Wall Street's misery. The U.S. index suffered as inflationary fears struck after data was released showing that the American economy had grown more than first thought last year.

Failure by the Bank of Japan to chop a key interest rate shook the dollar from its ledge in early European trade. By the time New York markets opened, the dollar showed further weakness, and it was down four pence against the mark and three yen on the day by the close of European trading.

To traders hoping for central bank intervention, oo belp was forthcoming and the dollar changed hands at a postwar low of 86.55 yen and markets bid it lower still.

There is a feeling that anything could be possible now if all this can happen a day after the Bundesbank cuts rates," said a spot dealer at a U.S. bank in London.

The separate sectoral indices of the AFM showed that services sector shares also posted the highest gains during the week, picking up 7.1 points or 5.6 per cent, followed by industrials which

lost 0.7 points or 5.2 per cent.

Industrial came next with a volume of JD2.5 million, followed by commercial banks with 1.3 million dinars, and insurance firms with 200,000 dinars.

The speed at which the dollar gave up its gains was very unsettling," said Rainer Siegelkow, senior economist at WestLB, in Duesseldorf.

"The dollar is facing more tough times."

Wall Street shed a massive 60 points before checking itself and bailing losses. Leading European shares shed well over one per cent, with most notable losses in Germany.

Germany's interest rate cut Thursday gave only a brief boost to the dollar. Its fundamental weakness stems from the huge U.S. budget and trade deficits and financial disquiet further south in Mexico.

Some analysts argue that a U.S. rate rise could bail out the dollar, but many economists believe even that would not heal long-term wounds, such as dependence on foreign capital to finance the U.S. economy.

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**Business
Daily
Sheet**
A review
of economic news
from the Arabic press

Season of 1994 financial accounts begins

THE JORDAN Electric Power Company (JEPCO) doubled its net profit in 1994, raising it to JD 5.96 million compared to JD 2.98 million in 1993. JEPCO's total earnings were JD 86.82 million in 1994. The cost of purchased energy, general expenditures, depreciation and loan interest totalled JD 80.86 million. JEPCO added 405,513 subscribers to its list in 1994. The JEPCO board chairman said that despite the flotation of three million shares for public subscription, the company is still in need for more financing due to the large projects that are being implemented. JEPCO's capital now stands at JD 15 million with total assets reaching JD 134.8 million at the end of last year. The board of directors is recommending to the general assembly the distribution of JD 1.62 million in dividends at a rate of 12 per cent for old shares and six per cent for new shares (Al Aswaq).

THE HOUSING Bank increased its loans and credit facilities last year by 26 per cent, or JD 48.4 million, to JD 237.4 million compared to JD 189 million in 1993. Despite over JD 129 million in repayments, the balance of loans and credit facilities stood at JD 524.2 million at the end of 1994 compared to JD 443.6 at the end of 1993. The Bank, which has 117 branches in Jordan, has obtained a permission to open a branch in Ramallah which is expected to start operations this year. The Housing Bank made JD 5.01 million net profit last year compared to JD 6.64 million in 1993. Chairman Zuhair Khoury attributed the decline to profitable sales of share investments in 1993 while, due to slackness at the Amman Financial Market, the bank was not able to make profit on capital investments in 1994. Total assets of the bank amounted to JD 972 million and total deposits stood at JD 816.9 million at the end of 1994 compared to JD 892.4 million and JD 55.5 million respectively in 1993. The board of directors is recommending to the general assembly the distribution of JD 1.82 million, or 16 per cent, in dividends (Al Aswaq).

THE GENERAL assembly of the Jerusalem Insurance Company (JIC) approved distributing 19 per cent, or JD 204,250, dividends to shareholders. The JIC collected JD 5,563,187 in premiums last year, 50.1 per cent of which (or JD 2.79 million) came from the vehicles department and 19.3 per cent (JD 1.1 million) from the life insurance department. The marine department contributed 16.8 per cent (JD 95,100), the fire department 11.6 per cent (JD 644,300) and the general accident department two per cent (JD 13,500).

The total of premiums in 1994 was 8.2 per cent higher than the amount in 1993. The IC's annual report showed a D 253,000 loss at the vehicle department but nearly 36 cent higher profits at other departments resulted in an overall profit of JD 52,000 compared to JD 52,000 profit in 1993.

Earnings from various investments totalled JD 36,000 (JD 259,000 in 1993) ringing the total profit to JD 38,000 (JD 711,000 in 1993). After deducting various location, net profit for 1994 stood at JD 496,000 (Al Dusur).

STATISTICS from the Jordanian Chamber of Industry show that Jordanian exports totalled JD 762 million last year, 16 per cent higher than the figure in 1993. Value of exports in 1994 amounted to JD 200 million (Al Dusur).

AMMAN FINANCIAL MARKET HOUSING BANK CENTER AMMAN - SHREISANI TELEPHONE: 660170 / 663170 ORGANIZED MARKET TRADING ACTIVITY FOR THE PERIOD (25/03/1995 - 29/03/1995) WEEKLY REPORT						
COMPANY'S NAME	TRADING VOLUME	PREV. CLOSING PRICE	OPENING PRICE	CLOSING PRICE	PRICE	
JP	PRICES					
ARAB BANK PIG	382,385	126.850	126.850	126.850	120.000	
JORDAN NATIONAL BANK	206,080	4.250	4.350	4.580		
JORDAN NATIONAL BANK / NEW	56,930	4.360	4.260	4.440		
BANK OF JORDAN	43,879	3.450	3.450	3.200		
MIDDLE EAST INVESTMENT BANK	9,100	1.400	1.400	1.430		
INDUSTRIAL DEVELOPMENT BANK	449	2.640	2.640	2.750		
THE HOUSING BANK	145,135	6.020	4.020	6.100		
JORDAN KUWAIT BANK	9,427	2.900	2.900	2.850		
JORDAN GULF BANK	20,300	1.210	1.210	1.180		
ARAB JORDAN INVESTMENT BANK	3,256	3.500	3.500	3.380		
JORDAN ISLAMIC BANK	122,666	2.760	3.760	2.900		
BUSINESS BANK	1,650	3.300	3.300	3.300		
JORDAN INVESTMENT & FINANCE BANK	17,557	2.650	2.580			
BRIT ISRAEL SAVINGS & INVESTMENT FOR HOUSING	18,381	3.000	3.020			
AMMAN BANK FOR INVESTMENT	226,420	1.070	1.070	1.140		
ARAB BANKING CORPORATION/JORDAN	4,257	4.000	4.000			
PHILADELPHIA INVESTMENT BANK	15,874	1.230	1.220	1.240		
BANKS SECTOR	1295445	INDEX NUMBER: 140.12				
		CHANGE : +1.59%				
JORDAN INSURANCE	3,272	2.250	2.250	2.250		
ARABIAN SEAS INSURANCE	20,800	1.850	1.850	1.800		
JORDAN FRENCH INSURANCE	206,257	2.540	2.540	2.410		
ARAB LIFE & ACCIDENT INSURANCE	11,960	2.400	2.400	2.400		
THE NATIONAL AMLIA INSURANCES	4,200	2.000	2.000	2.150		
INSURANCES SECTOR	248690	INDEX NUMBER: 125.44				
		CHANGE : +0.55%				
JORDANIAN ELECTRIC POWER	142,528	1.570	1.570	1.630		
JORDANIAN ELECTRIC POWER /NEW	515,489	1.490	1.490	1.570		
JORDAN HOTEL & TOURISM	36,920	6.850	4.850	7.500		
IRBID DISTRICT ELECTRICITY	470	0.990	0.990	0.940		
JORDAN MINERALS MINERAL	275	2.800	2.800	2.750		
ARAB INTERNATIONAL HOTELS	4,464,774	5.090	5.090	6.080		
ARAB INTERNATIONAL HOTELS /NEW	500,108	4.850	4.850	5.250		
JORDAN NATIONAL SHIPPING LINES	28,339	2.940	2.940	2.970		
NATIONAL PORTFOLIO SECURITIES	26,434	1.920	1.920	2.000		
REAL ESTATE INVESTMENT	6,272	1.120	1.120	1.180		
JORDAN INTERNATIONAL TRADING CENTER	5,998	0.910	0.910	1.050		
MACHINERY EQUIP. RENTING & MAINTENANCE	12,352	0.440	0.440	0.680		
JORDAN PRESS FOUNDATION / ALRA'A	6,942	10.400	10.400	10.050		
UNITED MIDDLE EAST & COMMODORE HOTELS	124,973	2.290	2.290	2.420		
ARAB INTER. FOR INVESTMENT & EDUCATION	88,127	2.250	3.250	2.320		
SERVICES SECTOR	4035022	INDEX NUMBER: 122.74				
		CHANGE : +5.42%				
ATTACHEQUE CONST. MATERIAL MANUFACTURING	726	1.040	1.060	1.020		
THE JORDAN CEMENT FACTORIES	248,788	2.990	2.990	3.050		
THE ARAB POTASH/NEW	10,192	4.500	4.500	4.400		
JORDAN PETROLEUM REFINERY	69,258	9.220	9.220	9.350		
GRAND TOTAL	542214					

Financial Times
in co-operation with
Cairo American Bank

U.S. Dollar in International Markets

Currency	New York Close Date 29/3/95	Tokyo Close Date 29/3/95
Sterling Pound	1.6128	1.6119**
Deutsche Mark	1.5828	1.5797
Swiss Franc	1.1415	1.1360**
French Franc	5.8805	4.6575**
Japanese Yen	88.35	88.19
European Currency Unit	1.3175	1.3219**

** Data for 1994
Euro/dollar & US dollar rates

Euro/dollar interest rates Date: 30/3/1995

Currency	1 MONTH	3 MONTHS	6 MONTHS	12 MONTHS
U.S. Dollar	5.87	6.00	6.18	6.58
Sterling Pound	4.12	6.25	6.75	7.31
Deutsche Mark	4.63	4.75	4.81	5.06*
Swiss Franc	3.37	3.37	3.56	3.68
French Franc	7.67	7.67	7.68	7.37
Japanese Yen	1.87	1.87	1.75	1.75
European Currency Unit	6.81	6.84	6.93	7.17

Interest rate for amounts exceeding U.S. Dollars 1,000,000 or equivalent.

Central Bank of Jordan Exchange Rate Bulletin Date: 30/3/1995

Currency	Old Offer	
U.S. Dollar	0.6870	0.6890
Sterling Pound	1.1060	1.1115
Deutsche Mark	0.4970	0.4995
Swiss Franc	0.6016	0.6046
French Franc	0.1408	0.1423
Japanese Yen	0.7772	0.7811
Dutch Guilder	0.4440	0.4462
Swedish Krona	0.00555	0.00555
Italian Lira*	0.00805	0.00805
Belgian Franc	0.00555	0.00555

* For 1994

Other currencies Date: 30/3/1995

Currency	Old Offer	
Bahraini Dinar	1.8070	1.8200
Lebanese Lira*	0.04800	0.04950
Saudi Riyal	0.1829	0.1838
Kuwaiti Dinar	3.5120	3.5220
Qatari Riyal	0.1876	0.1890
Egyptian Pound	0.1900	0.2080
Omani Riyal	1.7750	1.7870
UAE Dirham	0.1865	0.1878
Greek Drachma*	0.2585	0.2590
Cypriot Pound	1.4770	1.5870

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COMPANY'S NAME	TRADING VOLUME	PREV. CLOSING PRICE	OPENING PRICE	CLOSING PRICE	PRICE	
JP	PRICES					
WOOLEN INDUSTRIES	1,044	1.790	1.790	1.740		
THE INDUSTRIAL COMMERCIAL & AGRICULTURAL	7,607	3.470	3.470	3.500		
THE JORDAN WORSTED MILLS	79,454	7.400	7.400	7.600		
ARAB PHARMACEUTICAL MANUFACTURING	375,764	4.030	4.030	4.140		
JORDAN CERAMIC INDUSTRIES	27,013	5.280	5.280	5.750		
JORDAN DAIRY						

Cantona sentenced to 120 hours of community service

LONDON (AFP) — Manchester United star Eric Cantona was sentenced to 120 hours community service in Croydon Crown Court on Friday after winning his appeal against a two week jail sentence for assaulting a spectator.

Cantona shrugged and gave slight smile at news of his freedom, as fans in the packed public gallery broke into applause and then mobbed him in the dock.

The Frenchman, who has been banned by the Football Association from all football until September 30 and fined a total of 30,000 pounds, looked relieved by the decision and shook hands with well-wishers inside the court.

Outside the court, United fans cheered and sang a rendition of the Marseillaise as news of his successful appeal reached them.

The French striker was flanked by several police officers and remained unsmiling as he made the short journey from the court across the main road to the hotel where he had stayed overnight.

Many fans had travelled to London from Manchester to support their idol. One emerged from the court, shouting: "Eric is free, long live the king."

Before reaching his decision Judge Ian Davies said that victim Matthew Simons had indulged in conduct that would "provoke the most stoic."

Judge Davies added: "We believe that Mr. Cantona acted in a way out of character and would not have done so without the provocative conduct aimed at him."

"Mr. Cantona is 28, of good character, and has already been fined by his club and the Football Association."

"He has been prevented from playing football for eight months and Mr. Simons only received minor injuries. Mr. Cantona recognises that he should have controlled himself and not allowed himself to be goaded to act, as it was, on the spur of the moment."



Manchester United star, Eric Cantona, leaves the court surrounded by policemen (AFP photo)

In passing his verdict the judge said: "We express the hope that he will be able to be used in carrying out his public duty to the community by helping young people who aspire to be professional footballers and others who merely aspire to play the game and enjoy it."

Cantona was originally given the jail sentence by East Croydon Magistrates court eight days ago when he pleaded guilty to assaulting Crystal Palace fan Simons after being sent off in United's match at Selhurst Park on January 25.

But three weeks later the controversial Frenchman was freed on bail by the Crown Court pending the appeal.

The severity of the magistrate's sentence took everybody by surprise and was denounced by Gerhard Aigner, secretary-general of the European Football Union (UEFA).

Prosecuting lawyer Mr. Mark Dennis told Judge Davies on Friday that Simons had rushed from his 11th row seat down to the hoardings at the side of the pitch and began delivering a tirade of abuse as Cantona walked towards the dressing-room.

Simons will appear in court on May 23 after pleading not guilty last Friday to charges of public order offences relating to the incident.

Cantona's colleague and England international Paul Ince, who has denied a charge of common assault, will appear on May 17.

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In Saturday's doubles, Paes and Gaurav Natakar, the Asian Games champions, will take on Angelo and 19-year-old debutante Pio Tolentino.

The winner of the tie will earn a berth in the World Group play-offs to be held in September.

Venezuela looking for upset against Argentina

Venezuela, coming off last month's upset of Uruguay which marked perhaps its best Davis Cup performance, hosts Argentina this weekend in an American Zone Group One semifinal tie.

The draw pitted Maurice Ruah, Venezuela's No. 2 player, against Argentina's best, Javier Frana, ranked 109 in the world, in the first singles match.

Nicolas Pereira, ranked 101 in the world, was to face Argentina's Federico Browne in the second singles match Friday afternoon on the hard courts of the Altamira Tennis Club.

Though playing away from their preferred red clay courts, the Argentines were favoured nonetheless. At the Pan American Games earlier this month, Pereira lost his singles and doubles matches by one-sided margins.

In New Delhi, Mahesh Bhupathy defeated Robert Angelo to give India a 2-0 lead over the Philippines in their Davis Cup Asia-Oceania Group One second round tie here Friday.

India take 2-0 lead over Philippines

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Bhupathy defeated Angelo, a last-minute replacement for the ailing Joseph Lizardo, 6-1, 6-3, 6-4.

Indian number one Leander Paes downed doubles specialist Sofronio Palahang 6-2, 6-0, 6-3 in the opening singles on the grass courts of the National Sports Club of India.

ANNOUNCEMENT OF TENDER No. N/23/95

The Ministry of Supply announced a bid to appoint a cargo agent for the (PL480) programme of 1995 to transport wheat from the U.S.A. Those willing to participate in the tender can call on the ministry's secretary to obtain copies of the tender, including terms and specifications, for a non-refundable fee of JD 25. The closing date for offers is 12 noon on Tuesday April 18, 1995.

The Minister of Supply

Court jails three in Corsican stadium disaster

BASTIA, Corsica (R) — A French court on Friday jailed three men over the 1992 collapse of a Corsican soccer stadium stand, which killed 17 people and injured more than 2,300.

The court sentenced Jean-Marie Boismond, the engineer responsible for building the stand, and Michael Lorenzi, former vice-president of Bastia soccer club to two years' imprisonment. Bernard Rossi, a safety inspector, was jailed for 18 months.

Boismond and Rossi were convicted of manslaughter. Lorenzi was convicted of forgery.

After an emotional trial in January, the judges took two months to reach their verdict on the collapse of a temporary stand at Bastia's Furiani Stadium on May 2, 1992, minutes before kick-off for a French Cup semi-final game against Marseille.

France's worst soccer disaster drew comparisons with the deaths of 96 Liverpool fans crushed at Hillsborough Stadium in Sheffield, England in 1989 and the 39 people killed in a 1985 riot between Liverpool and Juventus fans at Brussels' Heysel Stadium.

European soccer scores

By the Associated Press

Group 1	Group 5
Romania 2, Poland 1	Czech Republic 4, Belarus 2
Israel 0, France 0	Netherlands 4, Malta
Slovakia 4, Azerbaijan 1	Group 6
Cyprus 1, Denmark 1	Ireland 1, Northern Ireland 1
Group 3	Austria 5, Latvia 0
Turkey 2, Sweden 1	Group 7
Hungary 2, Switzerland 2	Georgia 0, Germany 2
Group 4	Bulgaria 3, Wales 1
Lithuania 0, Croatia 0	Albania 3, Moldova 1
Slovenia 3, Estonia 0	Group 8
Ukraine 0, Italy 2	Russia 0, Scotland 0
	San Marino 0, Finland 2

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NOTICE OF SALE

Date of Sale: Tuesday, April 4, 1995, from 9:00 a.m. to 12:00 p.m.

Location:

Warehouse near 7th Circle.

Items to be sold:

Furniture, large generator, hydraulic lift and various office items.

Conditions of sale:

This sale will be conducted by seal-bid.

Bid forms will be available at time of sale.

All items will be available for inspection at the time of sale.

A deposit of 20 per cent of the total bid is required at the time of bid.

All bidders will be notified and deposits refunded beginning on Wednesday, April 5, 1995.

All property must be removed within 24 hours of notification.

If not, a storage of JD 50 per day will be imposed.

All bids must be deposited by 12:00 p.m. on April 4, 1995.

All property is sold on an as-is, where-is, non-returnable basis for cash payment without refund or warranty.

Weightlifting champion fails drugs test

FRANKFURT (R) — World weightlifting champion Alexander Kurlovich of Belarus, who was once banned from the sport, has failed a drugs test, Germany's SID news agency reported on Thursday.

A second test conducted by Cologne-based doping expert Manfred Domke confirmed results of a test in January that found the Anabolic steroid metandienone in the Belarusian urine, it said.

The report could not be independently confirmed.

Rolf Feser, general secretary of the German Weightlifting Union (BUDG), had announced the original finding.

Kurlovich, a four-times world champion and owner of two Olympic medals, set a world snatch record of 205.0 kilograms in the men's over 108 kg category at the World Championships in Istanbul last November.

In 1984, Kurlovich was fined \$450 in Canada when he and former Soviet Union teammate Anatoly Pisarenko were convicted of illegally possessing a quantity of methandrostenolone or diabol for sale.

The drugs were found in their luggage when they arrived for a competition.

SPORTS IN BRIEF

China bans 9 coaches

BELING (AFP) — The Chinese sports authorities have banned nine coaches, including five from the country's swimming squad, for drug taking, officials said Friday. The coaches were banned for a year for their role in 31 doping cases in China in 1994. Eleven athletes tested positive for banned performance enhancing drugs at last year's Asian Games in Hiroshima, Japan. The International Swimming Federation (FINA) and Olympic Council of Asia (OCA) this week decided there was not enough evidence to say there was organised drug taking in China. The five swimming coaches were banned for their role in the drugs taken by seven swimmers who failed tests in Hiroshima. Two of the swimmers later banned for two years were world champions Yang Aihua and Lu Bin.

Goalkeeper scores with solo effort

BOGOTA (R) — Miguel Calero kept alive the tradition of flamboyant Latin American goalkeepers when he scored with a brilliant individual effort to keep Deportivo Cali top of the Colombian soccer championship. Calero's astonishing solo run, which began near his own goal, came in the 88th minute of the game at home to Pereira with the score at 1-1. He rushed out of his goal to intercept a Pereira breakaway, dribbled the ball past an oncoming forward, charged into the opposing half and then scored with a powerful left foot shot.

Missing Maradona found

BUENOS AIRES (AFP) — Argentina's football star Diego Maradona, who disappeared four days ago, has been found in a hotel in downtown Buenos Aires where he had reportedly locked himself in a room. The former Argentina captain, now on the staff of Racing Club, was reportedly suffering a profound emotional crisis, and there was media speculation that he was having marital problems, or that he was undergoing drug rehabilitation. Once he had been found, Maradona refused to speak to his agent, Marcos Franchi, and his lawyer. Instead he remained in his room with a brother-in-law and a nephew. Racing Club president Juan Destefano confirmed that Maradona had been found, and said the former star would travel with the team to Cordoba on Friday for a weekend match.

Larsson out for 6 weeks

ROTTERDAM (R) — Feyenoord's Swedish international striker Henryk Larsson will be out of action for six weeks after undergoing a knee operation on Friday, Dutch news agency ANP said, citing the player's doctor. Larsson, the Dutch club's key attacker as they strike for a place in next season's UEFA Cup, injured his knee during Sweden's surprise 2-1 defeat by Turkey in their European Championship group three qualifier on Wednesday.

Fan gives good luck poem to Cantona

London (R) — A young British fan gave a cheeky "good luck" card to Manchester United's Eric Cantona in court on Friday, minutes before the French striker's appeal against a two-week jail sentence was heard. Sebastian Pennells, 13, had got up before dawn to travel to Croydon, south of London, where Cantona's appeal was being heard in the crown court. His card read: "Eric is an idol, Eric is a star, if my mother had her way, he would also be my pa (father)." Cantona's sentence was quashed and he will do 120 hours of community service instead.

33 months demanded for Seles attacker

HAMBURG (AFP) — Hamburg's state prosecutor called for a 33-month jail sentence for Gunther Parche, the man who stabbed tennis star Monica Seles in the back two years ago. The prosecution decided not to seek a sentence for the charge of "attempted murder," as requested by Seles' lawyers, but for "dangerous wounding." Parche, who attacked Seles during the Hamburg tournament in April 1993, had wanted his idol and compatriot Steffi Graf to take over from Seles as the women's world number one. Seles, 21, has not played since.

Nigeria may seek African boycott

CAIRO (R) — Nigeria may try to get Africa to boycott the World Youth Championships after being dropped as hosts, an Egyptian Football Federation official has said. Nigerian officials are to meet leaders of the Confederation of African Soccer (CAF) in an attempt to get African support. The official, who declined to be named, said the Nigerians might seek an African boycott of the championships which are now to be held in the Gulf state of Qatar from April 13-28.

Court hearing could end baseball strike

NEW YORK (AP) — On the eve of a federal court hearing that could end the U.S. major league baseball strike and stop replacement baseball, negotiators returned to the bargaining table for the players' response to management's new offer. Owners, during a Thursday conference call, formally approved using replacement players in a 26-2 vote, with only Baltimore and Toronto opposed. But with the court hearing had more bargaining, teams weren't sure if replacement baseball would start as scheduled Sunday night. "Right oow, it's 50-50," Boston Red Sox chief executive officer John Harrington said.

Doohan continues to dominate

KUALA LUMPUR (R) — World championship leader Michael Doohan continued his dominance of the new motorcycling season on Friday with a lap record during the first qualifying session for Sunday's 500cc Malaysian Grand Prix. The Australian, riding the Repsol Honda, raced round the Shah Alam Track in a time of 25.09 seconds, breaking the time of 1:25.100 set in 1991 by American John Kocinski.

Japan to play Brazil

TOKYO (AFP) — Japan and Brazil are to play a match here in August to celebrate 100 years of friendship between the two countries, the Japanese foreign ministry said Friday. Ken Nagamura, president of the Japan Football Association, reached an agreement with his Brazilian counterpart in Rio de Janeiro on Thursday. The two countries will also play an under-17 match at the Maracana Stadium in Rio de Janeiro on Sunday as a part of the same celebrations.

FURNISHED APARTMENT FOR RENT

With

Sports

Sanchez survives despite ankle sprain

HILTON HEAD ISLAND, South Carolina (AFP) — Arantxa Sanchez shrugged off a severe ankle sprain to beat Amanda Coetzer in three sets here Thursday, reaching the Family Circle Cup quarter-finals and securing her number-one ranking for another week.

The top-seeded Spaniard went into the match fighting the 'flu. She fought back from a 5-2 deficit in the first set, then recovered after spraining her ankle in the second to win 7-6 (7-1), 3-6, 6-3.

"It's amazing to finish a match like that," she said. "But mentally I never gave up and stayed aggressive and didn't want to lose a match that way."

A defeat would have cost her the number-one spot when the new world rankings are released on Monday.

Now she is certain to keep that spot, at least for the time being, in front of fast-closing German Steffi Graf.

Her future in the tournament, however, remained uncertain because of the ankle injury.

"It's serious, and I have to be careful," she said, her ankle wrapped in bandages and ice. She dropped out of the doubles competition to nurse it.

The injury occurred in the fourth game of the second set, when she tripped motionless for several minutes.

WTA Tour trainers gave on-court treatment and she resumed play without any noticeable signs of pain.

"I remember I hit a forehand, I slid, and suddenly I'm on the ground and in a lot of pain," she said. "I guess because it was so warm it didn't feel so bad."

Coetzer took a 3-1 lead in



Spain's Arantxa Sanchez

the second set, then won six of the next eight games before Sanchez raised her game in the final set.

The Spaniard moved Coetzer from side to side, came to the net when she could and started hitting deeper to put pressure on Coetzer's groundstrokes.

In the quarter-finals, Sanchez was scheduled to meet fifth-seeded Bulgarian Magdalena Maleeva, who beat

American Chanda Rubin 6-3, 6-2.

Second-seeded Spaniard Conchita Martinez, the defending champion, advanced with a 6-2, 7-5 victory over Kristie Boogert.

Martinez will meet sixth-seeded Croatian Iva Majoli, who beat Irina Spirlea of Romania 6-1, 6-4.

Fourth-seeded Natasha Zvereva of Belarus beat American Sandra Cacic 6-2, 6-0.

7-5 to line up a quarter-final clash with her old Soviet teammate Larisa Neiland, who beat American Ginger Helgeson-Nielsen 6-1, 5-7, 7-6 (7-5).

French qualifier Lea Ghirardi, who upset Gabriela Sabatini on Wednesday, had another win when she beat compatriot Sarah Pitkowi 6-4, 2-6, 6-4. And Italy's Silvia Farina beat Austrian Petra Schwarz-Ritter 6-2, 6-0.

Court ruling on

Marseille next week

A Marseille court will rule next Thursday on whether former European soccer champions Marseille should go into receivership with debts estimated at 240 million francs (\$50 million), legal sources said on Friday.

Because of financial problems and a match-rigging scandal, Marseille were relegated to the second division last season despite finishing second to Paris St. Germain in the first division.

According to French League rules, if they went into receivership they would automatically be relegated again.

This would take Marseille, who have won the French League and French Cup 10 times each, into the semi-professional third division.

Bur French League president Noel Le Graet, long an arch-rival of former Marseille president Bernard Tapie, said he would do his utmost to avoid such an outcome.

Despite being in the second division, Marseille boast the highest attendance in France and attract big crowds at every away game.

IAAF: Olympic champion escaped drug ban

LONDON (R) — The International Amateur Athletic Federation (IAAF) has admitted that Kenyan Olympic 800 metres champion William Tanui escaped a drugs ban 18 months ago because of irregularities in its testing procedures.

IAAF general secretary Istvan Gyulai confirmed on Thursday night that Tanui had tested positive for the banned stimulant norephedrine at an international meeting in New Delhi on September 14, 1993.

But he said due to "human error" Tanui had not received the mandatory three-month suspension and the positive result had never been made public.

Instead, the IAAF had informed the Kenyan Amateur Athletic Association (KAAA) that it had put the result on its records and that Tanui would be banned for four years if he offended again.

"Even if it was a mistake, the Tanui case should have been reported," Gyulai said. "No deal was struck with the Kenyan authorities to hush up the findings. A genuine mistake occurred."

According to IAAF officials, Tanui told the testing team at the New Delhi meeting that two weeks previously he had been using medication including Aspirin and cough syrup for a cold.

The samples were sent to the International Olympic Committee accredited anti-doping centre in Moscow which.

GOREN BRIDGE

WITH OMAR SHARIF & TAMAH HIRSCH

WHAT YOU DON'T KNOW CAN HURT

Both vulnerable, West deals.

NORTH
♦ A K
♦ A 4 2
♦ A 3 2 4 2
♦ 10 9 3

WEST EAST

♦ Q ♦ 9 8 4 2

♦ Q 3 ♦ J 8 7

♦ A 8 4 ♦ K J 9 5 2

SOUTH

♦ Q ♦ 10 9 5 3

♦ 8 5

♦ K 10 5

♦ Q 7

The bidding:

North North East South

1 ♦ NT 4 ♦ 4 ♦

Poss. 10 9 8 7 Poss.

Opening lead: King of ♦

Don't underestimate the advantage declarer has in being able to see all the North-South assets. Even when declarer knows the contract can't be defeated, the opponents, who don't have the same information available, are at a disadvantage. This hand illustrates our point.

With the ace of clubs, West saw no future in returning a club and reverted to a heart. Declarer ruffed

and the contract could no longer be defended. Declarer started reeling off spades, bringing about this position:

NORTH
♦ —
♦ A 8 6
♦ 10 9
WEST EAST
♦ —
♦ 8 5
♦ K 10 5
♦ Q 7

SOUTH

♦ 10
♦ —
♦ K 10 5
♦ Q 7

On the last trump East had to discard a club, as did the other two hands. East was then drawn in with a club and on the fourth diamond ruff. Declarer made the last three tricks by simply playing the defenders for split honors and finessing accordingly.

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Crown Prince — 'man of quiet diplomacy'

AMMAN (Petra) — April 1, 1965 has a special meaning in the history of Jordan. It is the day when a Royal Decree proclaimed His Royal Highness Crown Prince Hassan as Regent.

Since that date Prince Hassan has embarked on a multitude of responsibilities at the local, Arab and international fora.

Under the directives of His Majesty King Hussein, the Crown Prince became one of the pioneers of development not only at the local level, but also at the regional and international levels.

He has been an active advocate of development with a humao face, development that is based and centred around the individual.

Prince Hassan has written several books on Jerusalem and peace, in addition to other issues of interest to the Arab and Islamic nations.

Prince Hassan played a prominent role in international conferences and seminars and has used such form to convey the Arab and Jordanian views on regional and international issues, in addition to defending Arab and Islamic causes.

The Crown Prince's contribution to the peace process was also prominent.

Arab media have described him as the "man of quiet diplomacy in the political Jordanian scene," since the beginning of the peace process in 1991.

With this in mind, Prince Hassan has been personally involved in the development plans in Jordan.

He was also behind the

establishment of national, Arab and Islamic institutions, including the Arab Thought Forum, the Royal Scientific Society, the Al al Bayt Foundation and Al al Bayt University and the Higher Council for Science and Technology.

The Palestine question has been one of the major preoccupations of the Crown Prince.

From his days as a university student, he prepared studies in English on rights of the Palestinian people and has advocated the right of self-determination of the Palestinian people.

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NEWS IN BRIEF

Wanted Brotherhood leader is outside Egypt

CAIRO (R) — The most prominent of the five Egyptian Muslim Brotherhood members accused of organising military training abroad is on the run outside the country, not in detention, security sources said on Friday. The Egyptian Interior Ministry, in a statement on Thursday, named Ashraf Abdul Gaffar as one of five men in a Muslim Brotherhood conspiracy to use its medical relief operations in foreign trouble spots as a front for military training abroad. Mr. Abdul Gaffar was the supervisor of a relief agency run by the Brotherhood-dominated Egyptian Medical Association and a member of the association's board. The ministry statement said police had detained all the leaders but the security sources said this did not include Mr. Abdul Gaffar because of his absence. "There's a rumour that he's in Saudi Arabia," one security source said.

Israel, Vietnam to boost economic ties

TEL AVIV (AFP) — Vietnam's Deputy Foreign Minister Tan Quang Co said here Friday his country planned to boost economic links and could open an embassy in Israel, officials said. Mr. Tan met Uri Savir, Israel's foreign ministry director general, on the sidelines of an international conference for foreign ministry chiefs. Vietnam and Israel set up diplomatic relations in 1993. Hanoi is represented in the Jewish state by its embassy to Egypt.

Injured Algerian journalist dies

PARIS (AFP) — An Algerian television journalist injured in an attack blamed on extremists in Algiers 10 days ago has died of her injuries in a Paris hospital, officials said Friday. Rachida Hammadi, a high-profile reporter on Algerian state TV, died overnight without regaining consciousness following the attack, an official at the Algerian embassy in Paris said. The 32-year-old had been transported to Paris on Sunday following the attack on March 20. Her sister, a secretary at the television station, was killed by the gun attack near their home on the outskirts of Algiers. Hammadi was the 31st journalist killed in fundamentalist violence since May 1993. Unrest erupted following the cancellation of January 1992 elections which Islamic fundamentalists were poised to win.

Greece turns back 120 Egyptians at airport

CAIRO (AP) — Greek authorities turned back 120 Egyptian workers on the same flight Wednesday after the Egyptians reportedly paid \$1,500 each for fake travel documents. Hundreds of thousands of Egyptian workers, mainly laborers and fishermen, seek jobs outside Egypt for higher wages. Some poorly educated or illiterate workers are swindled into buying forged documents, often for large sums of money. Egypt's Middle East News Agency said the workers paid the equivalent of \$1,500 each for the travel papers. The men were deported after officials at the Iraklion airport in Crete discovered they lacked the proper papers, a Greek police official said on condition of anonymity.

Turkish businesses attacked in Germany

BONN (AFP) — Two Turkish travel agencies were firebombed overnight to Friday, police reported, in the latest in a series of attacks that has swept Germany. An agency in Erlenbach, Western Germany, was destroyed after unidentified assailants threw a firebomb through a window. Damage was estimated at 100,000 marks (\$71,400). An agency in Herford, also in the west, failed to go off after being thrown through a window. A Turkish clothing workshop in Eisdorf, western Germany, was destroyed by fire with damage estimated at 250,000 marks (\$175,000). Police are not ruling out the possibility of arson. Police believe the attacks on Turkish interests in Germany are the work of sympathizers of the Kurdistan Labour Party, which is banned in Germany, but also suspect the moderate Alawite community or other organizations. Violence first flared two weeks ago after Alawites were attacked by unidentified assailants in Istanbul.

DR. NABIL ASFOUR DENTIST PROSTHODONTIST

Would like to announce that he is moving to his new clinic at Bader Medical Centre, Fifth Circle - near the Arab Heart Centre, behind the Mill Bakery, and will receive his patients as usual from Saturday 1st April 1995.

Tel. (863250)



CROWN PRINCE RETURNS HOME: Their return home on Friday by His Royal Highness Royal Highnesses Crown Prince Hassan and Prince Abdallah and members of the royal family (see page one) (Petra photo)

Romanian plane crashes; all 59 aboard said killed

BUCHAREST (Agencies)

— A Romanian Airbus bound for Brussels crashed after taking off from Bucharest in a snowstorm Friday, killing all 59 people aboard in a disaster that raised new questions about the reliability of computerised "fly by wire" jetliners.

The Tarom airline swiftly ruled out pilot error as having caused the crash of the Airbus A310-300, a fully automated, two-engine aircraft that has been in service for 12 years. But by late afternoon Friday, the plane's "black box," which recorded the few moments of the ill-fated flight, had not yet been found.

Thirty-two homebound Belgians were among the 49 passengers killed when the Airbus went down in a field near Bucharest three minutes after take-off Friday morning. They included the Belgian consul in Bucharest, Michelle Vandenhoeve.

The other foreign victims were three Americans, two Spaniards, and one national each from France, Thailand and the Netherlands, Tarom said.

Nine Romanian passengers and the 10 members of the crew also perished in the crash.

The crash was the third of an Airbus A310-300 since the European consortium Airbus Industrie introduced the model in 1983.

Questions about Airbus air safety have arisen following accidents and near misses in

crash, the worst Romanian air disaster in more than 20 years.

Soldiers who rushed to the crash site said they found a sea of burning wreckage strewn about a crater four metres deep dug by the plane.

"It was hellish," one of the soldiers said. "The plane was in flames when we arrived. There were bands, heads and feet scattered around the fuselage."

Tarom said it ruled out pilot error as a cause.

"I categorically rule out any pilot error," Tarom General Manager Nicolae Bratu told reporters.

Mr. Bratu gave no other explanation for the crash saying he would have to wait for an inquiry by an Airbus Industrie team on its way to Toulouse.

He said the weather had been satisfactory, although it was snowing.

Tarom said it was ground-boarding its two other Airbus A310s pending the airbus investigation into the crash.

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Questions about Airbus air safety have arisen following accidents and near misses in

Sanaa cracks down on all moneychangers

SANA (AFP)

— Yemeni authorities arrested all the country's money-changers in a crackdown early Friday amid an economic austerity drive that has triggered a wave of protests.

"Police have arrested all money-changers in towns around Yemen, accusing them of damaging the national economy and contributing to the devaluation of the currency," said a policeman here who asked not to be named.

The arrests followed a speech Thursday by Prime Minister Abdul Aziz Abdul Ghani, who condemned what he said was a plot against the crisis-hit Yemeni economy and announced an imminent devaluation of the rial.

In Sanaa the dollar was changing hands for 140 rials on the black market Wednesday compared to 125 rials Tuesday and 12 rials at the official rate.

Previously, authorities have accused the ousted Yemeni Socialist Party (YSP) of fomenting unrest.

Breakaway leaders of the Aden-based YSP were forced into exile when northern forces loyal to President Ali Abdullah Saleh defeated a southern bid to form a separate state in a May-July 1994 civil war.

Aden, formerly the capital of Marxist South Yemen, suffered extensive damage in the war.

Yemen is one of the poorest countries in the world, with an external debt running into more than \$7 billion. It suffered losses of \$11 billion during the war.

The World Bank and International Monetary Fund (IMF) have been pressuring Yemen to liberalise its economy and remove subsidies on basic goods, petrol and public services.

But government divisions over the reforms, especially fears of public unrest, have delayed the country's economic recovery.

The European Union's external economic relations department Wednesday described the state of Yemen's economy as "disastrous" with inflation running at between 70 and 130 per cent.

Demonstrations were also reported in Dhamar, 100 kilometres south of Sanaa. Petrol prices doubled on

3 of 4 polls show Rabin trailing Netanyahu

TEL AVIV (AP)

— Three out of four polls published Friday showed that the Israeli public would vote Prime Minister Yitzhak Rabin out of office if national elections were held today.

Mr. Rabin's popularity has deteriorated recently due to stalled peace talks and continued anti-Israeli violence.

The prime minister dismissed the polls on Friday, saying he did not pay attention to them.

"I have protests outside my home and my office every day from opposition, but I don't pay attention to them and I don't pay attention to polls," Mr. Rabin told foreign diplomats on Friday.

"I pay attention to Israelis who say, you promised us peace. Why are there still terror attacks?" Mr. Rabin added during the address at the Tel Aviv Hilton. "My responsibility is to peace and the peace that we need is security."

Three surveys by different polling companies published in the daily Mariv showed opposition Likud party leader Benjamin Netanyahu running ahead of Mr. Rabin by at least nine per cent.

A separate poll by the Dafah agency published in the daily Yedioth Ahronoth showed that 40 per cent of 503 Israeli adults questioned would vote for Mr. Rabin, 36 per cent for Mr. Netanyahu and 11 per cent for right-wing politician Rafael Eitan, who has also declared he would run.

But with no candidate winning an outright majority, such a result would force a second round in which Mr. Netanyahu would be favoured because of the combined right-wing advantage — 47-40 per cent — in the first round.

The Yedioth Poll also showed that Mr. Rabin's Labour Party and its left-wing coalition allies would lose their majority in the 120-member parliament.

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Higher court orders review of testimony in subversion trial

By a Jordan Times Staff Reporter

AMMAN — The Court of Cassation has ruled that the State Security Court should take into consideration the testimony of three witnesses in a case involving alleged "Arab Afghans" and retrial of the defendants under laws related to juveniles, according to judicial sources.

The ruling, issued by Presi-

Security Court should re-hear the testimonies of three witnesses in the trial, which involved 25 people, the sources said.

The case came to be known as the "Arab Afghan" case in a reference to reports that some of the defendants had fought alongside the mujahideen in Afghanistan against the Soviet occupation army during the 1980-90 Afghan war.

Eleven of the accused, including three in absentia, were sentenced to death and seven others to jail terms ranging between seven years and life by the State Security Court. Seven others were acquitted.

It was not immediately clear whether the Court of Cassation ruling was applicable to the seven who were acquitted by the State Security Court.

The State Security Court, a panel of three military judges, had listened to the three witnesses, including an explosives expert, during the trial that ended in December but had decided to ignore their testimonies.

According to the sources, the Court of Cassation also quashed the guilty verdict against three of the accused on a charge of belonging to an illegal organisation saying trying people on such a charge was beyond the purview of the State Security Court and that a civilian court should have heard that case.

The verdict against the two tried in absentia remains in force since the Court of Cassation does not review sentences against fugitives from justice. If they are arrested or surrendered to the authorities then they would face a retrial by the State Security Court and subject to an automatic review by the Court of Cassation.

In the "Arab-Afghan" case, Judge Suheimat ruled last week that the State

COLUMN

Italians claim cold fusion breakthrough

BOLONIA, Italy (R) — Italian physicists have detected what they believe may be evidence of nuclear "cold fusion" in experiments with hydrogen and nickel, the Italian news agency (AGI) reported Wednesday. It quoted a member of the team, Professor Sergio Focardi of the University of Bologna, as saying that 15 grammes of nickel and one gramme of hydrogen produced 30 to 40 watts of energy, sufficient to power a light bulb, for around three months. Prof. Focardi said about 100 kilowatt hours of energy had been produced so far in the experiments, a quantity that ruled out a chemical reaction as the source of the power.

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(Continued on page 13)

Muslims urged to end Western strangulation

KHARTOUM (R) — Islamic fundamentalists from around the world appealed to Muslims on Friday to break free from a military, economic and cultural strangulation.

"They can impose sanctions on one of us, they can impose sanctions on two of us. But they cannot impose sanctions on the whole Islamic Nation," Mr. Abu Bakr said in a fiery speech, chastising Muslim countries for not rallying round Libya and Iraq.

They told an Arab and Islamist conference in Khartoum the answer to their woes lay in setting up an Islamic united nation, creating a unified Islamic currency, and other suggestions.

The meeting, organised by Sudan's Islamic leaders, bas attracted representatives from Hizbullah, Hamas, Algeria's Islamists, Al Nahda group, Bosnia, Iran, the U.S. organisation Nation of Islam and various Afghan parties.

But delegates gave the warmest welcome on Friday to Shamsuddin Yousef, foreign spokesman of the breakaway Chechen republic fighting Russian forces.

"I call on the leaders of the Arab and Islamic world to do something to stop this massacre," Mr.